

ing Division of the Air Service of the Army; to the Committee on Military Affairs.

By Mr. HUDSPETH: A bill (H. R. 13450) to amend section 108 of the Judicial Code, as amended, and for other purposes; to the Committee on the Judiciary.

By Mr. SMITH of Idaho: A bill (H. R. 13451) providing for retirement of officers of the Army in certain cases; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H. R. 13452) to ascertain and settle the title to lands and waters in New Mexico belonging to the Pueblo Indians, to preserve their ancient customs, rites, and tribal ceremonies, and providing an exclusive forum wherein all controversies as to the rights of the Pueblo Indians may be adjudicated; to the Committee on Indian Affairs.

By Mr. COUGHLIN: A bill (H. R. 13453) to enlarge, extend, and remodel the post-office building at Wilkes-Barre, Pa., on the present site; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13454) to enlarge, extend, and remodel the post-office building at Hazleton, Pa., on the present site; to the Committee on Public Buildings and Grounds.

By Mr. ROBSION: A bill (H. R. 13455) to provide for the erection of a public building at Corbin, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13456) to provide for the erection of a public building at Pineville, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13457) to provide for the erection of a public building at Barbourville, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13458) to provide for the erection of a public building at Harlan, in the State of Kentucky; to the Committee on Public Buildings and Grounds.

By Mr. KOPP: A bill (H. R. 13459) extending the jurisdiction of the Mississippi River Commission and making available funds appropriated under authority of an act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes," approved March 1, 1917, for the purpose of controlling the floods of the Mississippi River from the mouth of the Ohio River to Rock Island, Ill., and for the purpose of controlling the floods of the tributaries of the Mississippi River between the mouth of the Ohio River and Rock Island, Ill., including levee protection and bank protection, in so far as said tributaries are affected by the flood waters of the Mississippi River; to the Committee on Flood Control.

By Mr. DEAL: A bill (H. R. 13460) to authorize the Secretary of the Treasury to acquire, by condemnation or otherwise, such additional land in the city of Norfolk, Va., as may be necessary for the enlargement of the post-office building in said city, to cause said building to be enlarged, and making an appropriation therefor; to the Committee on Public Buildings and Grounds.

By Mr. LINEBERGER: Joint resolution (H. J. Res. 413) proposing an amendment to the Constitution of the United States; to the Committee on Election of President, Vice President, and Representatives in Congress.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEGG: A bill (H. R. 13461) granting a pension to Jesse Angle; to the Committee on Pensions.

By Mr. BURROUGHS: A bill (H. R. 13462) for the relief of Daniel F. Healy; to the Committee on Claims.

By Mr. FITZGERALD: A bill (H. R. 13463) granting an increase of pension to Harry W. McCammon; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 13464) granting a pension to Charles F. Mitchell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13465) for the relief of Alvin Harder; to the Committee on Military Affairs.

By Mr. HILL: A bill (H. R. 13466) granting a pension to Johanna Malone; to the Committee on Pensions.

Also, a bill (H. R. 13467) granting a pension to Richard A. Miller; to the Committee on Pensions.

Also, a bill (H. R. 13468) for the relief of W. E. Knickman; to the Committee on Claims.

By Mr. JOHNSON of Washington: A bill (H. R. 13469) granting a pension to Emma Gwinn; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 13470) granting a pension to Nellie A. Farley; to the Committee on Invalid Pensions.

By Mr. J. M. NELSON: A bill (H. R. 13471) granting an increase of pension to Mary Tichenor; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 13472) granting a pension to Elizabeth Fry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13473) granting a pension to Charles Fremont Kuntz; to the Committee on Invalid Pensions.

By Mr. IRELAND: Resolution (H. Res. 472) providing for six months' salary to be paid the widow of John Rome; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6618. By Mr. CRAMTON: Memorial of the Athena Woman's Club, Algonac, Mich., urging that our Government take the necessary steps to put an end to Turkish rule over the Christians; to the Committee on Foreign Affairs.

6619. Also, memorial of the Woman's Christian Temperance Union, of Kingston, Mich., urging the influence of the United States be used to save the remnant of the Armenians from extermination by the Turks; to the Committee on Foreign Affairs.

6620. Also, memorial of the Alexander Macomb Chapter, Daughters American Revolution, Mount Clemens, Mich., urging the checking of future immigration from Europe; to the Committee on Immigration and Naturalization.

6621. By Mr. FOCHT: Petition from citizens of Pennsylvania in regard to Sunday blue laws in the District of Columbia; to the Committee on the District of Columbia.

6622. By Mr. KISSEL: Petition of Lawyers Mortgage Co., Richard M. Hurd, Esq., president, Brooklyn, N. Y., favoring the passage of the Green resolution, which provides for a constitutional amendment eliminating tax exemptions; to the Committee on the Judiciary.

6623. By Mr. PARKER of New Jersey: Resolution adopted by the New Jersey Society Sons of the American Revolution urging the erection of a memorial bridge across the Delaware River to commemorate Washington crossing the Delaware, December 25 and 26, 1776; to the Committee on the Library.

6624. By Mr. STEENERSON: Petition of L. G. Hancock and others, Fosston, Minn., to abolish discriminatory tax on small-arms ammunition and firearms; to the Committee on Ways and Means.

6625. Also, petition of the First State Bank of Dalton, Minn., and others, to relieve or help relieve the situation of the farmer; to the Committee on Agriculture.

6626. By Mr. TINKHAM: Petition of citizens of the Republic of the United States assembled in mass meeting at Symphony Hall, Boston, Mass., on December 3, 1922, expressing faith in the Irish Republic and the wise statesmanship of Eamonn De Valera; to the Committee on Foreign Affairs.

SENATE.

MONDAY, December 18, 1922.

(Legislative day of Saturday, December 16, 1922.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

HOLM O. BURSUM, a Senator from the State of New Mexico, and JAMES A. REED, a Senator from the State of Missouri, appeared in their seats to-day.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Asbust	Fletcher	Lodge	Robinson
Ball	France	McCumber	Sheppard
Bayard	George	McKinley	Shortridge
Borah	Glass	McLean	Simmons
Brandegee	Gooding	McNary	Smith
Brookhart	Hale	Moses	Smoot
Bursum	Harreld	Myers	Spencer
Cameron	Harris	New	Stanley
Capper	Harrison	Nicholson	Sterling
Caraway	Heflin	Norbeck	Sutherland
Colt	Hitchcock	Norris	Townsend
Couzens	Johnson	Overman	Trammell
Culberson	Jones, Wash.	Page	Underwood
Cummins	Kendrick	Pepper	Wadsworth
Curtis	Keyes	Philpps	Walsh, Mont.
Dial	Ladd	Pomerene	Warren
Dillingham	La Follette	Ransdell	Watson
Ernst	Lenroot	Reed, Mo.	Weller

Mr. CURTIS. I was requested to announce that the Senator from Ohio [Mr. WILLIS] is necessarily absent on account of illness in his family.

I was also requested to announce that the Senator from Maine [Mr. FERNALD] is detained on official business.

The PRESIDENT pro tempore. Seventy-two Senators have answered to their names. There is a quorum present.

ELECTIVE FRANCHISE IN THE DISTRICT OF COLUMBIA.

Mr. BALL presented a resolution of the Kalorama Citizens' Association of Washington, D. C., which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

KALORAMA CITIZENS' ASSOCIATION,
Washington, D. C., December 12, 1922.

CHAIRMAN OF THE SENATE COMMITTEE

FOR THE DISTRICT OF COLUMBIA,
Senate Office Building, Washington, D. C.

SIR: At the last meeting of the Kalorama Citizens' Association, the following resolution was unanimously adopted:

"Resolved by the Kalorama Citizens' Association in regular meeting assembled, That the so-called Poindexter bill (S. 14) providing for the election of a Delegate to the House of Representatives from the District of Columbia, in no manner meets the legitimate and just claims of the District for a voice in the affairs of the Government, and therefore should not receive the support of those who believe that the District is entitled by every consideration of equity, justice, and Americanism to share the privilege and responsibilities of complete national suffrage accorded to all other citizens of the Republic.

"Resolved further, That the association unreservedly indorses Senate Joint Resolution 133 (the so-called Jones resolution) proposing an amendment to the Constitution of the United States, under which Congress will be empowered to remove the stigma of disfranchisement from the citizens of the District and grant them the right of representation so dearly prized by every free man and woman.

"Resolved further, That a copy of this resolution be forwarded to the chairman of the respective Committees of the District of Columbia of the two Houses of Congress and to each citizens' association with the request that such association take similar action, and further requesting the chairman of the District Committee of the Senate to have this resolution printed in the CONGRESSIONAL RECORD."

It is respectfully urged that your committee do all that is possible to further the desires and sentiments of the members of the association as expressed in the resolution.

Respectfully,

EDW. R. WALTON, Jr., Secretary.

PATROL DRIVERS, METROPOLITAN POLICE.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 3252) to amend paragraph 8 of the act entitled "An act relating to the Metropolitan police of the District of Columbia," approved February 28, 1901, as amended, reported it without amendment and submitted a report (No. 951) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 4194) granting a pension to Nellie Berry; and A bill (S. 4195) granting a pension to Harrison Sperry; to the Committee on Pensions.

By Mr. BROOKHART:

A bill (S. 4196) defining the legal status of all children under 18 years of age in the District of Columbia; creating a parental court; and providing for a child relief allowance for the assistance of certain mothers; to the Committee on the District of Columbia.

By Mr. WATSON:

A bill (S. 4197) to authorize the Secretary of the Interior to issue to certain persons and certain corporations permits to explore, or leases of, certain lands that lie south of the medial line of the main channel of Red River, in Oklahoma, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. TOWNSEND:

A bill (S. 4199) to refund to Clinton G. Edgar income tax erroneously and illegally collected; to the Committee on Claims.

WORLD WAR FOREIGN DEBT COMMISSION.

Mr. HARRIS. I introduce a bill which I ask may be read at length.

The bill (S. 4198) to increase the personnel of the Foreign Debt Commission, was read the first time by its title and the second time at length, as follows:

Be it enacted, etc., That the first section of the act entitled "An act to create a commission authorized under certain conditions to refund or convert obligations of foreign governments held by the United States of America, and for other purposes," approved February 9, 1922, is amended to read as follows:

"That a World War foreign debt commission is hereby created consisting of eight members, one of whom shall be the Secretary of the Treasury, who shall serve as chairman, and seven of whom shall be appointed by the President, by and with the advice and consent of the Senate. Not more than four members so appointed shall be from the same political party."

Mr. HARRIS. Mr. President, this measure is not offered in any partisan spirit. In fact, it is offered to prevent any partisan spirit in the solution of the great problem involved which will have to be solved ultimately by the Foreign Debt Commission and Congress. I have no criticism whatever of the splendid men who were appointed on the commission. They are among the very best men in our country. But they are all five Republicans, and I believe if both parties in Congress were represented on the commission we would get it away from partisan politics and solve the problem much better than if handled by a strictly partisan commission. My bill would increase the commission to eight members, permitting the President to appoint three Democrats, preferably Members of Congress. This would not be any expense.

The Sixty-ninth Congress and others after that may have a majority of Democrats. A Democratic President may be in office, and if the debt-funding commission is now made non-partisan, it will prove a continuous body instead of furnishing agitation to turn out all the Republican members of the commission and substitute Democrats.

Mr. President, I introduced in the Senate the first resolution on this matter declaring it to be the sense of the Senate that no debts owed the United States by European governments should be canceled, and I still believe these countries in the course of time will be able and should pay to our country all of their indebtedness.

I move that the bill be referred to the Committee on Finance. The motion was agreed to.

REGENT OF THE SMITHSONIAN INSTITUTION.

Mr. STANLEY. I introduce a joint resolution which is a mere matter of form—the selection of a regent for the Smithsonian Institution to fill a vacancy. I ask that it be read at length.

The joint resolution (S. J. Res. 258) providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress was read the first time by its title, and the second time at length, as follows:

Resolved, etc., That the vacancy in the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, caused by the expiration of the term of Alexander Graham Bell, of Washington, District of Columbia, be filled by the appointment of Irwin B. Laughlin, of Pennsylvania.

Mr. STANLEY. I ask unanimous consent for the immediate consideration of the joint resolution.

Mr. JONES of Washington. I will not object, Mr. President, on the theory that it will lead to no discussion.

Mr. STANLEY. It will lead to no discussion.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PRESIDENTIAL APPROVAL.

A message from the President of the United States by Mr. Latta, one of his secretaries, announced that on December 16, 1922, the President approved and signed the act (S. 3195) to authorize the Secretary of the Interior to accept completion of Carey segregation No. 11 and to issue patent therefor.

STATISTICS OF FOREIGN COMMERCE—CONFERENCE REPORT.

Mr. JONES of Washington. I submit a conference report. I do not ask for its consideration but simply present it.

The report was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3295) to consolidate the work of collecting, compiling, and publishing statistics of the foreign commerce of the United States in the Department of Commerce, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

W. L. JONES,

KNUTE NELSON,

DUNCAN U. FLETCHER,

Managers on the part of the Senate.

J. W. FORDNEY,

W. R. GREEN,

W. C. HAWLEY,

JNO. N. GARNER,

J. W. COLLIER,

Managers on the part of the House.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDENT pro tempore. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of the bill (S. 4050) to provide for the purchase and sale of farm products.

Mr. RANDELL addressed the Senate. After having spoken for some time,

Mr. JONES of Washington. Mr. President, may I interrupt the Senator for just a moment?

Mr. RANDELL. I yield.

Mr. JONES of Washington. I ask unanimous consent that the Senate agree to vote upon the Norris motion to-morrow at 4 o'clock, with the understanding that when the Senate closes its business to-day it shall recess until 12 o'clock to-morrow.

The PRESIDENT pro tempore. Does the Senator from Louisiana yield for that purpose?

Mr. RANDELL. I do.

The PRESIDENT pro tempore. The Secretary will state the proposal.

The READING CLERK. The Senator from Washington asks unanimous consent that when the Senate completes its work to-day it shall recess until 12 o'clock to-morrow, and at 4 o'clock to-morrow vote upon the motion submitted by the junior Senator from Nebraska [Mr. NORRIS] to proceed to the consideration of Senate bill 4050, to provide for the purchase and sale of farm products.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

Mr. REED of Missouri. We want to know something more about it.

Mr. JONES of Washington. It is satisfactory to the junior Senator from Nebraska.

Mr. FLETCHER. I rose to ask if it would be satisfactory to the junior Senator from Nebraska.

Mr. NORRIS. So far as I am concerned, it is agreeable to me. It is not fixing a time for a vote on the bill.

Mr. JONES of Washington. It is for a vote on the motion.

Mr. NORRIS. Simply a vote on the motion to take up the bill.

Mr. McKELLAR. To take up the bill the Senator from Nebraska reported?

Mr. NORRIS. Yes; to take up the bill I reported.

Mr. SMITH. At what hour does the Senator propose to have the vote taken?

Mr. JONES of Washington. At 4 o'clock.

The PRESIDENT pro tempore. The request of the Senator from Washington is that when the Senate completes its business to-night it shall take a recess until 12 o'clock to-morrow, and that at 4 o'clock to-morrow a vote upon the pending motion shall be taken.

Mr. McLEAN. Mr. President, I shall not object to the unanimous-consent proposal offered by the Senator from Washington, but I think I ought to inform the Senate that the Committee on Banking and Currency is now holding hearings on several bills which have been introduced by Senators covering the agricultural credit situation, and we are to have hearings this afternoon at which we expect important witnesses to appear. I think it will be the desire of the members of the Committee on Banking and Currency to attend that meeting this afternoon at 2 o'clock. For that reason I hope that during the two hours which will be allotted to the consideration of the motion to-morrow the members of the Committee on Banking and Currency will have a fair portion of the time. I would like to have five or six minutes to express my views in regard to the motion of the Senator from Nebraska.

Mr. JONES of Washington. I suggest that if any Senator desires to talk on the motion we will have all the time between now and 4 o'clock to-morrow, as far as that is concerned. My suggestion that we take a recess from to-day until 12 o'clock to-morrow was made to accommodate the committee which is holding hearings, and also I had in mind what the Senator has said with reference to the hearings this afternoon.

Mr. McLEAN. I simply want to give notice that I should like to have 5 or 10 minutes to-morrow afternoon to make a brief statement.

Mr. JONES of Washington. All right. There will be four hours to-morrow to debate the motion.

Mr. NORRIS. Mr. President, I do not wish to cut anybody out who wants to make any remarks on the motion, but the junior Senator from Iowa [Mr. BROOKHART] told me that he expects to speak on the motion, and I judge from what he said

that his remarks will be at some length—not a very long address, but longer than the Senator from Connecticut has intimated he wants to speak. I do not desire to have any understanding which will cut the junior Senator from Iowa out. As far as I know now the time suggested by the Senator from Washington will give ample opportunity for everyone who has signified any idea that he wants to talk to speak as long as he may wish.

Mr. SMITH. What is to hinder any Senator who desires to discuss the proposition under consideration from talking on it to-day?

Mr. NORRIS. Nothing.

Mr. SMITH. We have from now until 4 o'clock to-morrow afternoon to discuss it.

Mr. McLEAN. But the Committee on Banking and Currency will be engaged this afternoon in a very important hearing, and it will be impossible for the members of that committee to be in both places.

Mr. JONES of Washington. There will be four hours to-morrow.

Mr. HARRISON. May I ask the Senator from Connecticut, who is chairman of the Banking and Currency Committee, a question? That committee has been holding hearings for several days, I understand, on some bill. Can the Senator tell the Senate when, in all probability, they will conclude the hearings and be able to report?

Mr. McLEAN. We expect to conclude the hearings to-morrow or Wednesday, and in all probability we shall be able to report out a bill early next week.

Mr. HARRISON. About Monday of next week, does the Senator say?

Mr. McLEAN. Early next week. I would not fix the exact day.

Mr. HARRISON. The Christmas holidays are coming on. Is it the intention of the Senator to report the bill before the Christmas holidays?

Mr. McLEAN. It is my understanding that the adjournment over the Christmas holidays will be but two days, but I may be mistaken about that.

Mr. HEFLIN. I hope the Senator is mistaken, and I think he is. I do not think there will be a quorum here during the holidays.

Mr. McLEAN. I do not know; I am not responsible for that. Mr. SMITH. Did I understand the Senator to say that he thought by Monday or Tuesday of next week the Committee on Banking and Currency would be ready to report their bill?

Mr. McLEAN. We hope to do so.

Mr. WATSON. Monday will be Christmas. Of course, there will be no session on that day.

Mr. McLEAN. We certainly will get the bill out immediately after New Year's. If the Senate is in session, I think we will report it next week.

Mr. WATSON. My understanding is that it is the present intention to adjourn from Friday evening until Tuesday morning. In that event the committee could bring out its bill next week, according to the statement of the chairman.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Washington?

Mr. HARRISON. Was the last request to agree to vote at 2 o'clock or 4 o'clock?

Mr. NORRIS. At 4 o'clock.

The PRESIDENT pro tempore. So that there may be no misunderstanding, the Chair will state the proposed agreement again, as the Chair understood it. It is that when the session of to-day ends the Senate will take a recess until 12 o'clock to-morrow, and that at 4 o'clock to-morrow the Senate will proceed to vote upon the motion of the junior Senator from Nebraska.

Mr. HARRISON. Reserving the right to object, can we not have it understood that the time for discussion will be divided equally between those who are for the motion and those who are opposed to the motion? Will not the Senator who made the request incorporate that?

Mr. JONES of Washington. It would be very unusual for the Senate to do that. I anticipate that everybody who will desire to talk on the motion will have full opportunity to do it between now and 4 o'clock to-morrow. I do not know of anyone on this side who wants to speak on it.

Mr. POMERENE. Mr. President, it has been suggested that at least one Senator might desire to speak at length upon the motion. I do not know what that means. It may mean one hour, it may mean four hours, under the rule of unlimited debate. It is hardly a fair proposition to say that we are going to vote on an important matter of this kind at 4 o'clock without having some kind of an understanding as to a division of

time. It is not quite the right thing to be advised in advance that 1 Senator may want a considerable time and the other 95 Senators may not have any time.

Mr. JONES of Washington. I desire to say that I have no objection, personally, to providing as a part of the agreement that the time shall be divided equally between the opposition and those favoring the motion. I suppose the time would be divided and controlled by the Chair. It is such an unusual proceeding for the Senate that I do not know how it would work, but I, myself, have no objection to it.

The PRESIDENT pro tempore. The Chair desires to propound this inquiry to the Senate: Inasmuch as a Senator can speak on any subject and may be speaking neither for nor against the motion, how can the Chair control the situation?

Mr. JONES of Washington. We are not going to displace the unfinished business between now and 4 o'clock to-morrow. The unfinished business will be before the Senate to be proceeded with.

Mr. McKELLAR. Will the Senator from Washington yield to me to ask the Senator from Nebraska a question?

Mr. JONES of Washington. Certainly.

Mr. McKELLAR. Is it the intention of the Senator from Nebraska between now and 4 o'clock to-morrow to make a speech explaining this bill? I think the Senate ought to know something about the bill before we vote on taking it up, and I think we ought to have sufficient time for that purpose.

Mr. NORRIS. I presumed that Senators knew about it. I do not want to inflict a speech on the Senate.

Mr. McKELLAR. I will say very frankly to the Senator that I have been busily engaged on the shipping bill, and I have not examined his bill. I would like to examine it. It seems to me that the time between now and 4 o'clock to-morrow afternoon is very short.

Mr. NORRIS. I assume it is going to be discussed by those who debate the question, and I may want to discuss it before we get through. But since there seems to be some doubt, may I ask the Senator from Washington to withdraw the request and let the debate on the shipping bill proceed?

Mr. McKELLAR. I hope the Senator will do that for the present.

Mr. JONES of Washington. Very well; I withdraw the request.

The PRESIDENT pro tempore. The request for unanimous consent is withdrawn, and the Senator from Louisiana will proceed.

Mr. RANDELL resumed and concluded his speech, which is, entire, as follows:

Mr. RANDELL. Mr. President, a few days ago I gave notice that at the opening of the session to-day I would discuss the pending shipping bill, and I should like to do so at this time.

I wish to call attention to the fact that there are a great many interesting and important features in the bill in addition to the so-called aid or subsidy feature thereof. Those matters have not been emphasized very much to date, and I wish to discuss them briefly, not in detail, but to have Senators understand that entirely aside from the so-called subsidy feature it is a most excellent bill. I wish to say right here, however, that in my judgment it would not be effective and would not produce the results we seek to obtain unless one of two things happens: First, to make effective the discriminating duty provisions now on the statute books and held in abeyance because of our treaty relations with many of the nations of the world, to make effective the provisions referred to in section 34 of the shipping act of 1920, which section instructed and authorized the President of the United States to denounce the treaties with foreign countries which contravened the discriminating duty provision of the law—place that provision in effect, I say, and give us the benefit of discriminating duties which built up our merchant marine in the early days, for, Senators, it is a fact known to all who have studied the matter that one of the very first acts of Congress in 1789 was to provide discriminating duties in favor of goods brought to this country in American bottoms.

It seems, sir, impossible to put into effect that discriminating duty provision, and in lieu thereof the only thing that so far has been presented to the Congress which in my humble opinion promises any real measure of relief is the direct aid, the so-called subsidy. I do not intend to discuss that in detail. It has already been gone into by others.

But, Mr. President, there are other features of the bill to which I wish to call special attention. One, sir, is the revolving loan fund of \$125,000,000, provided for the purpose of assisting shipbuilders and ship companies to construct the

many vessels which are needed to constitute a well-balanced fleet. Mr. President and Senators, we have not a well-balanced merchant marine at this time. We have a very large tonnage, but most of our ships are not of the combined freight and passenger type—fast vessels, vessels that can build up our trade with foreign lands not only by carrying freight to and from those lands but by carrying passengers as well; vessels which in time of war may, if necessary, be converted into auxiliary cruisers. We are very short of vessels of that character. I will go into that more in detail later, but let me say at this moment that in the merchant marine of Great Britain there are 194 magnificent steel vessels of the combined freight and passenger type which have a speed of from 15 to 27 knots an hour. Every one of those vessels, sir, is a potential auxiliary cruiser, and we have only 50 such vessels. We need a great many more such vessels in order to build up our merchant marine and to strengthen our Navy, and aid for ships of this character is provided in the revolving loan fund of \$125,000,000 which is proposed in the pending bill.

This fund is in no sense a subsidy. Not more than two-thirds of the cost of a ship or two-thirds of the cost of reconstructing and refurbishing such ship is ever to be loaned under this fund. The Government is to be secured by a first mortgage on the ship and the interest rate, it is provided, shall not be less than 4½ per cent. It is a strict business proposition. In the same sense that we established the Federal Reserve Board for the business interests of this country, for the benefit of bankers, merchants, and others, and that we established the Federal land bank in order to aid agriculture by lending money to our farmers, so this revolving loan fund would provide money for shipbuilders. It is a most important feature of the bill, and I hope those who oppose the measure so strenuously will bear that feature in mind.

Another feature of the bill which is also very important is that which provides for the creation of a national insurance fund for the purpose of insuring the cargo and the vessel which is engaged in foreign trade. It is very important, Senators, that the great business of insuring our foreign commerce be placed in American insurance companies. The premiums paid out for that purpose aggregate very large sums. We have only a limited number of marine insurance companies in America, while there are a great many such companies abroad, and a large percentage of the marine insurance of this country has in the past been written by those foreign insurance companies. The insurance provisions of the pending bill seek to do this: If foreign insurance companies offer a lesser premium rate than that which is offered by American insurance companies, then the insurance loan fund will allow that insurance to be placed by American companies at the rate offered by the foreign companies, so the insured will receive the benefit of the lowest possible rate and the money will remain in this country.

Another good provision of the bill, sir, is that which provides for the payment of extra compensation to vessels for carrying the mail. Not only will the fast vessels which carry the mails receive the compensation or subsidy, as do other vessels, but they will be paid for service rendered a fair amount for carrying the mails. That will be of immense benefit in a business way.

Another feature of the bill to which I call attention is that which provides that one-half of the immigrants coming into this country must hereafter, if this bill shall pass, come in American ships. In the past most of the immigrants who have come—and the passage moneys which have been paid by them have aggregated very large sums—have come in foreign ships. This bill provides that not less than 50 per cent of the immigrants must come in American bottoms.

There is another provision of the bill to the effect that in the case of any company or any individual owning and operating ships and desiring to receive the benefit of the direct aid provided in the pending bill, not less than one-half of the tonnage of such individual company must be registered under the American flag; in other words, if an individual owns a few American ships and a great many foreign ships he can not receive the benefit of the direct aid provided in this bill, as not less than 50 per cent of all his tonnage must be registered under the American flag in order to receive such benefit.

MAINTENANCE OF TRADE ROUTES ESSENTIAL.

Then there is a provision which is of especial benefit to the people of the West, of the South, of the Gulf, and of the South Atlantic. That provision is that service must be maintained on routes which have been established by the Shipping Board. There have been a great many routes established from the South Atlantic, the Gulf coast, and the Pacific coast cities. The pending bill provides that the routes and service thereon must be maintained for a reasonable time in order to ascertain

whether or not such service may be profitable and businesslike. It is most important for the small communities whose people in the past have not been sea minded to have lines of ships running from their localities to the ports of the world.

Then there is in the bill a provision requiring that in time of war all vessels of every kind and sort which receive any direct aid under this bill shall, on request of the President, be requisitioned for the public service. It is needless for me to comment on the value of that provision.

The bill further provides that the Army and Navy transport service between this country and our island possessions, or between this country and foreign lands, shall, as soon as practicable, be carried on in the vessels which receive the direct aid; that we shall do away with the Army transport service and the Navy transport service, and also do away with a number of ships which really would be useless if we had a well-developed merchant marine, and hereafter conduct that service in our regular merchant vessels.

Next, there is a provision to which I call the especial attention of all friends of inland waterways. That provision is clear, plain, and unmistakable, and I shall read it into the Record. For many years, Senators, we have been trying to encourage and develop water transportation. I see some good friends of water transportation on the floor, and I hope they will do me the honor of listening to this plain and simple provision:

It is hereby declared to be the policy of Congress to promote, encourage, and develop water transportation service and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation, and the board—

That is, the Shipping Board—the commission—

The Interstate Commerce Commission, previously referred to—

are hereby severally authorized, empowered, and directed to cooperate to that end.

Then the provision proceeds to make it perfectly clear, emphatic, and positive, so that no one can misunderstand, that it is the intention of Congress to build up and maintain a fair spirit of cooperation and coordination of service between the railroads and the waterways of this country; not alone, sir, the ocean waterways, but the interior, the internal waterways. This is the most comprehensive declaration on that subject ever suggested to Congress, and if the bill containing this provision shall become a law the internal waterways of this land, which in the past, to a very great extent, have been strangled by the unfair efforts of railroads, will come into their own again. The provision will not be enforced in any way, nor is such a thing contemplated, to injure the railroads. We simply ask fair play and justice for the waterways and fair play and justice for the railways.

The last provision to which I call attention is one making it imperative that hereafter when officials of this Government, those who receive their pay from the public, take an ocean voyage on official business they must travel in ships flying the American flag. Mr. President and Senators, it has been almost a public scandal in the past, at least until very recently, that public officials, public servants, in traveling abroad have not sought American ships, but have used foreign ships. Of course, no one seeks impossibilities. This measure does not provide the impossible; but it says that if it be reasonably possible for these officials to use American ships they must do so, under penalty of having the charges for their trip disallowed and not paid by the Government. There is the same provision in regard to freights across the water. Those freights must also be carried in American ships.

Senators, I have gone into this matter very briefly, with the hope that those of you who are inclined to oppose this bill will study its features other than the subsidy feature, for I say to you that there are many wise provisions in the measure, many provisions which will tend to assist to build up and to strengthen the American merchant marine, entirely outside of the subsidy feature. Again I wish to emphasize, however, in that connection that unless we get either this subsidy feature, this direct aid, or by some hook or crook put into operation the discriminating features of existing law we need not adopt any provision whatever in this bill.

ONLY ALTERNATIVE IS GOVERNMENT OPERATION.

Mr. President, the only substitute offered so far by the opponents of this measure is a continuation of Government ownership. One of the Senators, in what appears to be rather an indefinite manner, seems to suggest some kind of a body or some individual to carry on Government operation of our present great fleet for an indefinite period of time—perhaps until times get better. He intimates that later on we can sell these ships

for a very much larger sum than they would sell for now, and in the meantime he suggests having them operated by somebody. The indication is that he wants to get rid of the present Shipping Board.

Another Senator suggests that we turn over the fleet to the Department of Commerce. Now, Senators, it seems to me that after the experience of this country with the Government operation of railroads, and the experience of this country so far with the Government operation of ships, we should go very slowly to establish any new governmental agency to handle such a large enterprise as our merchant marine.

We did not make a success, Senators, when we operated the railroads. We have not made a success of our operation of the merchant marine so far. I am not criticizing individuals. I have nothing but kind thoughts about the men who undertook the mighty task of operating the railroads of this country in war times. I have nothing but kind thoughts and kind words about the men who, at the request of the former President of the United States, Mr. Wilson, and our present President, Mr. Harding, have given the very best there was in them toward handling our great fleets. My statement is this: These gentlemen undertook impossible tasks. They did the best they could with them. They did not succeed, through no fault of their own; and it is our duty, sirs, to place the ships in private hands, just as we placed the railroads back in private hands some time ago.

Mr. HEFLIN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Alabama?

Mr. RANSDELL. I yield for a question.

Mr. HEFLIN. I call to the Senator's attention the testimony of Mr. Lasker, who said that he had not sought business with these ships; that they only took that which was offered. I submit to the Senator and to the Senate that it does not seem that a very great effort has been made to get business and to make this business a success.

Mr. RANSDELL. Mr. President, I do not intend to be diverted from the line of my remarks. I do not recall the testimony to which the Senator refers. If he says it, I have not a bit of doubt that Mr. Lasker made some such statement; but, Mr. President and Senators, I have been in close contact with the Shipping Board since we passed the first shipping law in 1916.

I have known personally every one of the men connected with it, the various members of it, and I know that they have done the very best they could to carry on the mercantile business of this country. I have talked to them, conversed with them many times, and heard them testify before committees. I am not familiar with all the details of this particular statement; but, just as the devil can quote the Scriptures for his own purposes, I have no doubt that the able Senator from Alabama can pick out some isolated statement of Mr. Lasker's testimony or Mr. Anybody Else's testimony and let it fit in with the views he advocates.

Mr. HEFLIN. Mr. President—

Mr. RANSDELL. I decline to be interrupted further. I have a long speech, and I want to go on with it. I will ask the Senator to speak in his own time.

Mr. HEFLIN. I simply wish to suggest to the Senator that the devil is for the subsidy.

Mr. RANSDELL. He may be, but he has some pretty good company. I think there are some angels for the subsidy, too, and I have no doubt that there are some devils who are opposed to it as well as perhaps some angels, including my very genial and handsome friend from Alabama.

Mr. POMERENE. The Senator includes him among the angels?

Mr. RANSDELL. I include him among the angels. I accept the suggestion. I know he is an angel; at least, he looks like one.

So far the operation of our ships has been a losing business. Do you not think, Senators, we have had about as good men handling the Shipping Board up to date as we could get? Do you believe, sirs, any one of you, that if you were President you could pick out a much better board than we have now, or better than the boards have been in the past? I doubt it very much. Let us see who are the members of the present board.

First there is Mr. Albert Lasker, of Chicago, one of the most successful business men in America, a man who by his own private efforts accumulated a large fortune, who stands very high among those who know him.

Then there is Mr. T. V. O'Connor, of Buffalo, who was familiar with shipping for many years in the stevedoring business, and for years president of the International Longshore-

men's Association, a man who enjoys the respect and esteem of all his associates, and who was for years connected with business closely allied to shipping.

Then there is our own George E. Chamberlain. I do not need to say anything about ex-Senator Chamberlain in this body. He was a successful lawyer for years, governor of his State for seven years, a Member of this body for 12 years, a real, live, vigorous, forceful statesman, and a man whom everybody in the Senate honored and loved.

The next is Mr. Meyer Lissner, of Los Angeles, a man very active in civic affairs of that city for many years, president of the first Board of Public Utilities of Los Angeles, from 1909 to 1911, and largely responsible, sir, for the creation of the great port of Los Angeles, one of the most important on the Pacific coast. Everything connected with his life indicates that he is a sound business man of high character.

Then comes Admiral William S. Benson, for 47 years active in the service of the Navy, Chief of Naval Operations of this country during the greatest war that ever afflicted mankind, and the Navy was a great success during that war under the direction and management of William S. Benson. This gentleman has filled very many important positions, and has received many national and international honors. His whole life has been spent upon the sea in connection with seafaring matters, and he is certainly a wise and able man.

The next member is Mr. Frederick I. Thompson, one of the leading newspaper men of the South, chief owner of the Mobile Register, the Mobile News-Item, and the Birmingham Age-Herald, a man who by his keen mind and his hard and intelligent work has built himself up to affluence, and a very strong and forceful man.

The next is Mr. Edward C. Plummer, who is and has been for over 30 years a lecturer on shipping matters. In early life he worked in shipyards. He has been a close student of this subject for a long time. It has been my pleasure to know Mr. Plummer for over 20 years, and I regard him as one of the sanest, wisest men of my acquaintance, and familiar with every matter connected with shipping because of close study.

These are the seven men who now control the policies of the Shipping Board. Does anyone conceive that we can get a better body of men? How could you pick them out? Mr. President and Senators, the fault is not with the membership of the board. The fault lies deeper than that. The fault is because we are not a seafaring people. We have not been in the game long enough to learn it. The seafaring countries of the Old World, like England, have been studying ships for centuries. They have been following the seafaring life for centuries. They understand every feature and every phase of it. They know how to practice all the economies connected with it. The sea is their life's blood. England is a "tight little island." She gets her wealth from foreign lands. She can not reach those foreign lands except in ships, and her people understand the game. In the early days of our Republic, the days of the old sailing vessels, the clipper ships, we had a hardy race of seamen on the New England coast.

WHY OUR SHIPPING DECLINED.

They made a big success of shipping in those days, and but for the intervention of steam in the early fifties we would still have a successful race of hardy seamen along the Atlantic coast. But the intervention of steam and the Civil War of the sixties, which drove so many of our ships from the seas, which practically destroyed the American merchant marine, put us out of the business. Then for years and years there were so many attractive enterprises in various parts of the country in which men could make more money in other kinds of business than they could hope to make on the sea that the enterprise and skill of America were engaged in those kinds of business.

Mr. President, you can change the organization if you wish, put the ships under the Department of Commerce if you wish, but I predict that you will not meet with greater success with some new Shipping Board or with some new department than we have met with in the past.

Let me remind Senators of this fact, that the Shipping Board is a creature of the Congress, responsible directly to Congress, making its reports to Congress. Do Senators wish to do away with our creature, with this body which reports to us, and place the duty of handling our ships in some bureau of the Department of Commerce, where the shipping of the country will be only a side issue? That would not do, Senators. If you intend to create some new agency, certainly you had better create a department of shipping and place at its head a secretary whose sole duty it will be to look after ships. Do not attach this great task to some one of the present departments of the Government.

A great deal has been said about the Government operation of ships in Canada and in Australia and by the Panama Rail-

road Steamship Co. Let me give some actual facts and figures in regard to that. One of the first acts of the British Government after the armistice was to do away with the State control of shipping. That the step was well taken in the interest of British commerce is shown by the fact that to-day the British merchant marine has regained practically all the ground it lost during the war. The ships of Great Britain again carry more than one-half of the trade of the entire world.

Think of that! This wise old ancestor of ours, as soon as the war was over, placed all her ships in private hands, and those she owned herself she sold immediately to her private citizens and private shipping companies. She is not operating any ships. She has not tried to play that game of Government operation as we have tried. She was too smart for it. She never did anything wiser in her life. But her colonial possessions were not so wise. One of the British possessions essayed the experiment of a State-run merchant marine, and in the first blush of postwar trade, when all the ships of the world fell far short of carrying the cargo offering, and when ocean freights were \$30 to \$40 per ton and even higher, Government operation was carried on at a profit, which inspired its advocates to declare that it would be criminal for the Government to sell its ships.

We heard the same kind of talk here. Even so great a ship authority as Lord Pirie, probably the world's leading shipbuilder, declared that if all the nations built vessels at top speed for five years after the armistice they could not produce too much tonnage for the world's trading needs. The five-year period is not yet up, but the acid test of time has worked, and already world shipbuilding is back below the pre-war level.

At this point Mr. RANDELL yielded to Mr. JONES of Washington to submit a request for unanimous consent.

CANADA'S EXPERIMENT COSTLY.

Mr. RANDELL. Mr. President, I was proceeding to speak about the government operation of ships in Canada, and will continue.

Canada has tried government operation under the most favorable auspices, and still found it a failure. With government-owned railways to act as solicitors and collectors of freight for government-owned vessels she has, nevertheless, been unable to make both ends meet. She had also the very marked advantage of entering upon government operation of shipping with a trained staff of transportation experts serving its railways, which embrace more than a third of all the railroad mileage of Canada. For 1919 the Dominion Government was able to show an operating profit on voyages of \$1,056,000 and for 1920 of \$1,293,000; but in neither case was depreciation or interest figured. And in 1921 the result of voyage operations was a loss of \$2,210,000, or almost as much as the profits for the two preceding years. But this is only part of the story. Interest for 1921 amounted to \$3,352,000, depreciation to \$2,374,000, and other charges to \$111,000, so that the actual loss on the year was \$8,047,000. But this is not the full picture of losses, for there was carried forward from the years when a profit was claimed on operations \$1,745,000 interest due and unpaid to the Government and a deficit of \$328,000 on insurance. Subtracting from this the surplus of \$1,004,000 claimed to be available at the end of 1920, the result of Canada's first three years of government operation was a loss of more than \$9,100,000.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. RANDELL. I yield.

Mr. REED of Missouri. What rates were made on the government-owned vessels as compared with the rates made by vessels when there was no government interference?

Mr. RANDELL. I can not give the Senator the details about that. In 1919, when the rates were very high, \$30 to \$40 per ton as general commercial rates throughout the world, the government-owned vessels in Canada made a large profit; but when the general commercial rate fell in 1921 there was a big loss. I am unable to give the Senator the detailed figures in response to his question. I assume, however, that the government-owned vessels of Canada had to compete with the ordinary privately owned vessels of England, Norway, and other countries.

Mr. REED of Missouri. The Senator has given us some figures. I am not trying to get into a dispute with him, but the figures are manifestly incomplete. The Senator told us that the vessels were operated at a loss. That loss might all be chargeable to the fact that they charged too low a rate and that the rate which they did charge was less than the ordinary rate which would have obtained if there had been no government-owned vessels in competition.

Mr. RANDELL. I was speaking about the Government-owned vessels of Canada which made a loss, and not the privately owned vessels.

Mr. REED of Missouri. I understand; but to illustrate—I am taking the Senator's time in order that we may have enlightenment.

Mr. RANDELL. That is perfectly agreeable to me.

Mr. REED of Missouri. Let us suppose that the vessels could have been operated—I shall use a purely illustrative figure—at \$1 a ton and a profit made, and that the commercial rate would ordinarily be that dollar a ton; but those vessels, when they started to operate, proceeded to operate at 80 cents a ton, either because they wanted to give a cheap rate or because the private competitors had seen fit to cut the rate to put the Government vessels out of business. Accordingly they operated at 80 cents and showed a loss. Now the mere fact that the vessels showed a loss, as has been stated, does not mean anything as a conclusive proposition until we know what their rates were and what the rates would have been if they had not been in competition. I wish the Senator would investigate the question and give us some light on that matter.

Mr. RANDELL. I shall be glad to look further into the question. If there has been anything in the nature of a rate war in Canada over the foreign trade or overseas trade, I have not heard of it. The figures I am giving are taken from official Canadian sources and there is nothing said, so far as I understand, about any rate war which would present the question suggested by the Senator from Missouri. He very correctly said that had there been a rate war and the Canadian vessels in order to meet it had put their rates down below a proper commercial figure, then the fact that they had lost money would mean nothing. I agree to the correctness of the Senator's conclusion in that particular. But I am quite sure there has been nothing of that kind. However, in order to make assurance doubly sure I shall go into it more fully and present the figures later.

Canada is still holding the bag, but she is finding that it is getting too heavy for her. The last official report shows the Government fleet to be composed of 65 vessels, aggregating 380,000 dead-weight tons, which cost over \$78,000,000, and which is carried on the books at \$69,000,000, and this is conceded to be far above its value. The report further states that the average cost of the fleet was \$191 per ton, and that the ships could be replaced at an average of \$75 per ton. It is recommended on behalf of the Government that all of the ships under 4,000 tons and five larger ones be disposed of. It is also recommended that for five years the interest due the Government shall be payable only if earned, after allowing for depreciation. The outlook for the Government's pocket-book, therefore, can not be said to be a bright one.

The net results of Canada's first three years of Government operation of shipping therefore may be said to be: 1. A recorded loss of over \$9,000,000. 2. The possession of a fleet carried on the books at more than double its replacement value. 3. A Government admission of failure in the plan to sell more than half the total number of ships. 4. A dubious outlook for returns to the Government in the request that interest payments be made the last charge to be satisfied. 5. Even at 5 per cent per annum depreciation charges will amount to more than \$3,000,000, or more than the fleet earned in 1919 and 1920 combined, when freights were high. It does not require any stretch of the imagination, therefore, to write down Canada's experiment in Government operation of shipping as a failure.

Mr. REED of Missouri. Mr. President—

Mr. RANDELL. I yield to the Senator from Missouri.

Mr. REED of Missouri. I am merely seeking light.

Mr. RANDELL. I shall give it to the Senator if I am able to do so.

Mr. REED of Missouri. The question is, why was it a failure? That question has not been answered by the Senator in the figures which he has given. Was it a failure because of mismanagement? Was it a failure because the rates had been made too low? Was it a failure because there was a general slump in the shipping business and privately owned vessels were possibly being run at a loss? In other words—I make the point merely for the purpose of emphasizing the necessity for further light—to say that a business has been a failure does not get us anywhere. Thousands of private enterprises have failed, yet that does not argue that another private concern might not succeed in the same business.

The Senator has stated one thing that I think tends to throw a little light on the matter, that the vessels cost undoubtedly more than twice their replacement value. If any private concern had bought vessels and paid two or three times their value and then had to pay interest upon them, that private concern

would probably be verging upon bankruptcy. It would certainly be doing so unless it was able to make very large profits. Why did the Government of Canada pay those excessive prices? Did it get the vessels during the war at war prices, and, if so, would it not be necessarily obliged as a business proposition to charge off the excess value and stand the loss as a war loss and start the enterprise at a fair valuation of the vessels? I think the Senator, with all his industry, and he has a good deal of it—his power of analysis is superb—ought to carry the figures further and show us why the Government can not successfully operate the vessels.

FAILURE ALMOST UNIVERSAL.

Mr. RANDELL. If I could answer that question, I think I could answer a question that the American people would like very much to have answered. I would be able to tell the Senator why we failed so miserably in the Government operation of our railroads. I would be able to answer the Senator why Government operation throughout the world, so far as my information goes, has been a failure, except perhaps in the Empire of Germany, where, if I am correctly informed, the German railways and the German water-borne commerce were operated at a profit under the autocratic rule of the German Government.

For some cause or other, however, it has not been profitable in other lands. The only really successful Government enterprise in America about which I know anything is the operation of the mails; but the mail service has been a complete monopoly from the birth of our Republic to the present time.

Mr. FLETCHER rose.

Mr. RANDELL. I decline to yield for the moment. Let me answer the question of the Senator from Missouri, and then I shall be glad to yield to the Senator from Florida.

The Government operation of the mails has been a success. Nobody other than the Government has gone or can go into the business. The Government does make a little money out of the operation of the mails now; but I do not know of any other business that has been persistently a success when governmentally owned and operated for any length of time, and I do not believe, as a general proposition, that the Government can in a big way make a success of the operation of business.

Now, answering further the question of the Senator from Missouri [Mr. REED] about conditions in Canada, I desire to say that I do not know why the Canadians paid \$191 per ton for their ships. I presume that it was for exactly the same reason that we paid \$200-plus a ton for our ships. Those ships were constructed in war times, and it was a war expenditure. I think, sir, that it would be wise to charge off that present high cost and to start afresh. However, let me say that the figures that I have presented here indicate that there was no interest whatever charged in making up this loss, and the Government of Canada is advising that there be no interest charged. They wish to see if they can not earn something exclusive of interest. They sustained an actual loss in 1921 of \$2,120,000, exclusive of any interest.

Now, to say that private shipping companies were making some money in 1921—

Mr. REED rose.

Mr. RANDELL. Let me answer, and then I will again yield to the Senator.

Mr. REED of Missouri. I wished to say a word in relation to what the Senator from Louisiana has just stated.

Mr. RANDELL. I have figures here to show that private English companies have been making very considerable profits recently. I have figures from the New York Journal of Commerce of October 31 last indicating that the Peninsula & Oriental Steamship Line has made large profits. I will not take the time to read them, but I will insert them in connection with my remarks.

The figures referred to are as follows:

The Peninsula & Oriental Steam Navigation Co. accounts for the year ended September 30, 1922, show that, after providing for depreciation, also the expense and discount on the issue of £3,500,000 debenture stock amounting to £191,853, there is a credit balance on the year's accounts (including £100,305 brought forward) of £744,901. The following table shows the figures for the previous two years:

	Year ended—	
	Sept., 1920.	Sept., 1921.
Net profit.....	£657,377	£571,466
Brought forward.....	£115,230	£111,939
Preferred dividend.....	£152,000	£152,000
Deferred dividend.....	£508,668	£431,100
Rate of dividend.....	15%	12%
Carried forward.....	£111,939	£100,305

Mr. RANDELL. I have also from the New York Journal of Commerce, of October 31 last, figures to show that the Prince Line, which is another big English line, has made large profits. At the same time I have been unable to find any figures or any reports to the effect that privately owned American lines have been making any profit during the last year. If such lines have made any profits, I can not find any record of them.

I ask permission to have printed in the RECORD at this point the clipping from the Journal of Commerce showing the profits of the Prince Line.

There being no objection, the clipping was ordered printed in the RECORD as follows:

The accounts of the Prince Line (Ltd.) for the year ended June last show a net profit, after making an allowance for depreciation and taxation, of £159,686, while £138,892 was brought forward. The directors announce a final dividend of 7½ per cent, making 10 per cent, free of tax, for the year, leaving to carry forward a sum of £178,299. For the previous 12 months the net profit amounted to £286,815, making an available balance, with £72,376 brought forward, of £359,191. A total dividend of 10 per cent was paid, free of tax, while £100,000 was placed to general and insurance reserve.

Mr. RANDELL. Why the privately owned American lines have made no profits and the Government-owned Canadian lines have made no profits I am unable to say. I learn from the reports of the Shipping Board that our Government-owned vessels have not, as a whole, been making any profits. I understand that one of the lines has made some profits. That line was referred to by the Senator from Florida [Mr. FLETCHER] and was the line which is operated by Mr. Rossbottom. That is an exceptionally advantageously located line, and it has made some profits; but, as a whole, the operation by the Shipping Board of our vessels has been very unprofitable for the last 12 months, just as the Canadian operation of their vessels has been unprofitable. At the same time, however, certain English privately owned lines have been profitable.

It would take a much wiser man than myself, or even, I think, than the Senator from Missouri [Mr. REED], to tell us why private individuals can make money and the Government can not make money in carrying on the same kind of business. I assume that one reason why the railroads of this country did not make a success when operated by one man was that the business was too big for one man to make a success of it. I have known farmers who could live on farms of a few hundred acres and make a success, but when the same farmers tried to operate farms miles away they failed.

I speak feelingly about the matter, for when I tried to farm 1,200 miles from base I did not make a success. So when a man sitting here in Washington attempts to operate 234,000 miles of railroad, running throughout this great country of ours, it is too much; it is too big an undertaking; he can not make a success of it; and when the Shipping Board attempts to operate a great fleet of 7,000,000 tons on all the seas of all the world, involving in many instances the necessity of making decisions instantaneously, I do not believe it can conduct the operation successfully. I think the private initiative, the personal interest, the energy, the enthusiasm, the skill, and the determination which a private individual will put into his own business is lacking in any kind of Government operation. I assume that it was for just such reasons that the people of Canada were unable to make a success of the shipping business. I now yield to the Senator from Florida, and then I will yield to the Senator from Missouri.

Mr. REED of Missouri. I merely wished to make a statement in the nature of a correction. I understood that the Senator from Louisiana carried the interest charges in his total.

Mr. RANDELL. No; I will read the figures again.

Mr. REED of Missouri. Very well, if he did not; then he need not read the figures again.

Mr. RANDELL. I did not.

Mr. FLETCHER. I wish merely to follow up the thought of the Senator from Missouri [Mr. REED] by suggesting that it will be well, of course, to understand upon what plan or basis the Canadian Government is operating its ships. If the Canadian Government is operating them as we are under the MO-4 contract, where the Government stands all the losses and the private operators, the managing agents, get their commissions on the business no matter what it may amount to, the Canadian Government may expect to lose money. The result depends a good deal on the plan of operation so far as the force and effect to be given to the shipping activities of Canada is concerned. I do not know whether or not the Senator from Louisiana has examined the question sufficiently to determine just how and upon what basis or plan Canada is attempting to operate her lines.

With reference to governmental success elsewhere, I call the Senator's attention to the fact that Australia has built a splendid fleet of Commonwealth ships and has operated them suc-

cessfully; that the figures show a profit last year of something like \$33,000,000 on the operation of that fleet; and that the Government operation there is direct government operation and not a mere pretense, not a mere figure of speech.

We, however, in the United States have had no Government operation except of the Panama Steamship Co. and the United States Line. Recently both of those lines have been operated successfully, but the operation of our other ships has not been Government operation, as I understand it, and as I think the Senator from Louisiana will agree with me when he analyzes it, for it is on its face conducted on the basis of managing agents, the Government standing all the losses and those operating the ships having no responsibility except to earn their commissions and to get what are called "husbanding fees" in addition to their commissions.

With reference to private operation, I shall not attempt to go into that, but if the Senator will allow me just a moment more, I happen to have here a clipping taken from a newspaper issued on December 12, which states:

Boston, December 12.—Directors of the United Fruit Co. at a meeting here to-day voted an extra dividend of 2 per cent in cash with the regular quarterly dividend of the same amount.

The profits may have been derived in part in connection with their other business in selling their products, but they have a splendid fleet, and I have no doubt a good deal of their profit comes from the operation of the fleet.

Mr. RANDELL. I will assume—

Mr. FLETCHER. If the Senator from Louisiana will allow me, I will merely say that later on I shall put into the RECORD a fuller statement regarding the experience of Australia in the operation of ships.

Mr. RANDELL. I shall be very glad to have the Senator do so, for I am going to say something about Australia.

Referring first to the last portion of the Senator's statement in regard to the United Fruit Co., let me say that is a wonderful enterprise. I have had the pleasure of traveling on some of the ships of the United Fruit Co., and they are very fine ships; but those ships are merely an incident to their commercial enterprise. The United Fruit Co. are great fruit merchants; they have enormous plantations, principally banana plantations, in many tropical countries. I had the pleasure of traveling on one occasion for 12 continuous miles through a banana plantation; my journey was on a railroad on both sides of which stretched this great plantation owned by the United Fruit Co. It was at Port Limon, in Costa Rica. That company is absolutely a commercial enterprise, and their ships merely an incident. It might just as well be stated that the Standard Oil Co., through their tankers and their great lines of ships for handling their own business, conducts a successful shipping business because they declare large dividends. The Standard Oil Co., as we all know, is a tremendous commercial enterprise, and the same statement is true of the United Fruit Co.

Now, to come back—

Mr. REED of Missouri. Mr. President—

Mr. RANDELL. I will ask the Senator to pardon me. I must answer the Senator from Florida first, and then I will be glad to yield to the Senator from Missouri. Coming back to what the Senator from Florida said about the situation in Canada, I do not know whether the Canadians have been operating under the MO-4 contracts or what kind of contracts they have employed. The Canadians, however, are proverbially a wise people; I often wish the people of the United States would emulate the people of Canada in a great many things, for if there be a wiser people on this globe than those of Canada I wish somebody would point them out. When they have been so wise in connection with all their transportation problems, including their transcontinental railroad problems, their problems of good roads, and everything connected with business, to say that they have done something very unwise in connection with their shipping is beyond me. I can not answer the Senator's question, but I will try to accommodate him by securing more data on the subject and go into it more elaborately at some later time.

In regard to the Panama Steamship Co., I wish to give the Senator some actual figures as to that company and also with reference to the shipping venture of Australia. The Senator tells us about the wonderful success in the shipping business which Australia made last year. I do not agree with the Senator at all as to that. It is said that doctors disagree; but my figures are altogether different from those of the Senator. Here they are; I will state them to the Senate.

WHAT IT COSTS AUSTRALIA.

Australia has been cited as a golden example of the benefits of Government operation of shipping. Official figures in proof of this are difficult to obtain. No annual reports covering the period of operation have been issued, with the exception of one

for the year ending June 30, 1922. The position taken by the Australian Government has been that making public the results of the operation of its fleet would aid competing lines. On November 16, 1921, however, Premier Hughes, in an address to the Australian Parliament, stated that the net earnings of the Government's ships for the five years ended June 30, 1921, had been £7,144,000, or about \$30,000,000. I assume that is the \$30,000,000 to which the Senator from Florida has referred. No allowance whatever—I will ask Senators to listen to this—had been made for depreciation or interest on the Government's investment, which amounted on the first cost of the ships—listen to these figures, Senators—£10,706,000, representing 51 vessels, aggregating 257,000 gross tons. No account is taken of the loss on the fleet of wooden steamers ordered by Australia, which amounted to £2,323,000. No mention is made of the fact that the earnings of the fleets were invested in building passenger ships after the armistice.

In other words, the profit from Government operation was turned, not into the Treasury but into new tonnage, and that tonnage is now being operated at a loss.

Because of the great curtailment of independent Australian shipping services during the war the opportunities for a Government-operated fleet were then exceptional, and with ocean freights at high levels large profits were made; but with the application of interest and depreciation charges the paper profits for this period would be converted to a loss. It is also interesting to note that more than a third of the Australian fleet is composed of ex-enemy ships, and that 18 of these, aggregating 83,000 gross tons, were acquired at a first cost of only £909,000 and that their net earnings were £4,036,000.

But only recently the Australian Government issued the first of its yearly reports on the operation of its State fleet. This shows that with war and partly post-war freights a thing of the past, the Government can not make the income from voyages exceed the voyage expenses. For the fiscal year 1922 it is stated operating expenses were £2,722,000 and operating receipts £2,718,000, and on top of this capital expenditures are given as £3,811,000. The voyage losses were not large, it is true, but they are likely to represent only an entering wedge of loss, while the capital expenditures for this one year were more than half the profits—in which no allowance is made for depreciation and loss—of all the previous years combined.

Mr. FLETCHER. Mr. President—

Mr. RANSDELL. Let me finish my statement and then I will yield.

That further losses may be expected is not an unreasonable prediction, especially in view of the statement made to the Australian Parliament by Mr. Hughes, in which he read a cablegram from private English shipping interests urging that either the Australian Government buy the ships of competing British lines or sell the Government ships to the competing companies in order to eliminate the present ruinous competition. Mr. Hughes claimed to see in this, however, an additional tribute to Government operation, on the ground that if the ships were worth purchasing by the independent lines they were worth keeping by the Government. He seems to have overlooked the point, however, that Government operation has resulted in losses to both State and private shipping, and that the Government losses must come out of the pockets of the taxpayers; but these phases of the question are realized in Australia, and it is now a vital political issue whether the ships shall be kept by the Government or sold.

Here, then, are two instances of the workings of Government operation in shipping—Great Britain, the sea-wise mother, casting the yoke of State control off at the first opportunity, while her young offsprings, Canada and Australia, continue to stagger under it. Need it be asked: Which course should we follow?

I now yield to the Senator from Florida.

Mr. FLETCHER. I was just going to ask the Senator if he would be good enough to state what his authority is—whether this comes from some statement that has been furnished him in an authoritative way, or from an article written by some one on the subject?

Mr. RANSDELL. From Commerce Reports, published by the Department of Commerce.

Mr. FLETCHER. I have been examining some literature on the subject, and I may have found the same source of authority; I do not know; but that is the reason why I was interested.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. RANSDELL. I shall be delighted to yield to the Senator from Nebraska.

Mr. NORRIS. I have no information on the subject, and I am asking for information; but it seemed to me that there was one thing in that statement which was not quite fair. The percentage of loss, I think, was based on the cost of the vessels. Then, later on, part of the cost of the vessels was given at a very low figure, because they were enemy vessels that had been captured in the war. To be absolutely fair, it seems to me, the statement ought to give the facts as to the construction of the balance of that Australian fleet. Were those ships built in time of war? If so, it would appear to me to be manifestly unfair to reckon the percentage on their cost. I should like to inquire if the Senator knows whether or not those ships were built during the war at war prices?

Mr. RANSDELL. I think, from the best information I have, that a good many of them were built during the time of the war and perhaps at war prices.

Mr. NORRIS. If that be true, the figures ought to be changed.

Mr. RANSDELL. I wish, however, to make this point: Just as our own ships were built in time of war and at war prices and have been operated since, and we have lost money on them, so I am trying to show by these figures that the Australians have lost money, exclusive of any question of interest on the cost of the vessels; and my figures bear out that fact, as I construe them.

Mr. NORRIS. As I got the figures, the percentages were based on the cost of the various vessels. If that cost was a war cost, it is not a fair basis, it seems to me, on which to reckon the percentage of loss.

Mr. RANSDELL. I am putting the figures in the RECORD just as I read them. The Senator may draw a different conclusion from them if he chooses.

Mr. FLETCHER. Mr. President, will the Senator yield to me for just a moment?

Mr. RANSDELL. I yield to the Senator from Florida with pleasure.

Mr. FLETCHER. Premier Hughes has stood for government ownership and operation of ships in Australia; and whereas there has been opposition, and, as the Senator has said, the question was a matter of issue in the recent election, he will note that according to the dispatches from London dated December 16, Premier Hughes has been reelected premier by a considerable majority, and his policies have been thereby indorsed by the Australians.

Mr. RANSDELL. I do not deny the correctness of that; but the facts and figures which I have read show that the operation of vessels in Australia has not been a success recently, and they show that there is a great deal of unrest there—not enough so far to oust Mr. Hughes from office, but certainly the enterprise has not been the kind of a success that the friends of Government operation can point to with pride and say to us, "Go thou and do likewise"; and yet that is what they are trying to do. They are trying to point to this so-called Australian success and this so-called Canadian success and ask us to go and do likewise.

PANAMA RAILROAD STEAMSHIP CO. SHOWS A DEFICIT.

In regard to the Panama Railroad Steamship Co., I have a statement about that that I wish to put in, in further answer to the Senator from Florida.

Another example of Government operation in shipping is furnished by the annual report of the Panama Railroad Steamship Co. This is the line to which reference was made in the minority report of the Commerce Committee as an example of how ships could be operated profitably under the American flag. The distinguished Senator from Washington [Mr. Jones] referred briefly to this matter in his speech a few days ago, but I should like to add some additional details, which I think should be spread upon the record.

Instead of a profit, this company reports that for the fiscal year ended June 30 last there was a net deficit of \$587,322.45. The previous year the report showed a loss for the fiscal year ending June 30, 1921, of \$700,810.22.

For the past fiscal year the report shows that \$353,429.44 was charged off to depreciation and general and extraordinary repairs. No allowance was necessary for interest.

The following comparison for 1922 and 1921 was submitted:

	1922	1921
Gross revenue	\$2,892,698	\$5,150,446
Gross expenses	3,450,231	5,857,257
Deficit	557,532	700,810

Vessels in operation during the year were decreased from 12 to 5 on account of the depression. The report points out

that part of the loss was due to the fact that Government freight and passengers were carried below the commercial tariff. If these had been booked at ordinary commercial rates, the loss during the year would have been \$125,000.

A heavy deficit also was reported for the account of the railroad company. The combined loss for the railroad and steamship lines for the year was \$1,297,634, as compared with \$617,528 for the preceding 12 months. The report says:

The total operating revenues of the company's steamship line were \$2,723,985.58, a decrease of \$2,268,765.54, as compared with the 12 months ending June 30, 1921; operating expenses for the same period were \$3,443,490.39, as against \$5,850,407.22 for the preceding year, a decrease of \$2,406,916.83. The net operating deficit resulting therefrom decreased \$138,151.29, as compared with loss for prior year. Passenger traffic shows a decrease in revenue of \$115,591.71. Revenue from the transportation of mails and treasure decreased \$75,442.01 and \$20,099.83, respectively.

Of the total tonnage transported in the 12 months ending June 30, 1922, 197,099 tons were carried by the company's steamers and 55,767 by chartered steamers. In the previous fiscal period the former carried 314,877 tons and the latter 100,282.

The operations of the Panama Railroad Steamship Line during the fiscal year ending June 30, 1922, although more favorable than for the preceding year, resulted in a deficit of \$587,332.45, after charging to operating expenses \$358,429.44 account of depreciation and general and extraordinary repairs. The primary cause for loss was the continued world-wide depression in business, with its consequent heavy decrease in tonnage transported; the marked lowering of rates of freight, owing to the severe competition of direct lines operating between South Pacific and east coast Colombian ports and New York; the unsettled exchange situation, which, with the curtailment of credits previously granted by American merchants to South American merchants, compelled the latter to buy and sell in Europe instead of as formerly buying and selling in the United States; and the continued high cost of foodstuffs, stores, and material.

So it seems to me, Mr. President, that the three instances cited by the opposition—Canada, Australia, and the Panama Railroad Steamship Co.—when examined into carefully, fall to the ground, and show that so far from Government ownership being a success it is a failure.

FOREIGNERS OPPOSE OUR SHIP BILL.

Mr. President, I next come to a phase of the subject which I discussed some time ago—foreign opposition to this bill. I hope Senators will listen carefully to what I have to say on this subject, because there is, or at least there was, a great deal of foreign opposition. I spoke at length before you on this topic on July 20 last. I laid before you opinions voiced by the press of Great Britain, views of British shipping and commercial leaders, members of Parliament and other individuals, and quotations from official reports of the British Government. There were objections and remonstrances, threats, veiled and unveiled, and even intimations of war upon us if we took steps to protect our place upon the seas. The question squarely put up to the people of the United States was whether we should choose our own sea policy or allow Britain to dictate it for us. We, who carry perhaps a tenth of the world's trade—and I doubt if it is that much—were accused by a nation whose ships transport more than a half of all sea commerce of seeking a monopoly on the seas.

It is not my purpose to lay before you again all the record of the bitterness of foreign opposition to legislation to aid our merchant marine to a point where we would carry not even a fair share of the world's trade but at least a fair share of our own. I do want, however, to recall to your attention a few expressions that I quoted then, and to supplement them with some recent developments.

It is said that British capital controls the policy of many great American journals. Is it possible that there is any connection between the opposition of foreigners and that of our home people? I do not make this charge, sir; but, recalling the extraordinary Tory sentiment during the Revolutionary War and the extreme partiality of a large percentage of our people to Great Britain during all our history, I wonder if some of our good people are not insensibly influenced that way? Shall we regard international unions as the true spokesmen? The real Americans, sir, who work on American ships, favor this bill, and they have gone on record to that effect. Here are some of the organizations that are in favor of the pending shipping bill:

The Neptune Association of Licensed Masters and Pilots, 6,000 strong; United Associations of Masters, Mates, and Pilots, 3,000 strong; United Radio Telegraphers, 7,500 strong; United Marine Engineers' Beneficial Association, No. 80, 3,500 strong; Marine Engineers' Beneficial Association, several thousand; Fidelity Marine Association, restricted to captains and first mates, several thousand; National Board of Steam Navigation; American Society of Marine Engineers; Licensed Tug Men's Association; International Longshoremen's Association; and others I have not before me at this time.

It is interesting to note that all international interests, whether of labor or commerce or defense, are arrayed against the pending bill. International money, which is in control of

Wall Street, opposes anything that will affect the prosperity of the European interests with which it is connected and from which it draws its profits. The profits of an American merchant marine will come to America, and those profits should approximate \$500,000,000 every year.

The boldness of the British press in discussing the American shipping bill is unexampled. I quoted to the Senate last July an article from the Liverpool Courier entitled "Westminster watchdogs awaken," in which it was declared there was a pro-British party in the United States. Think of that, Senators, a great pro-British journal declaring that there is a pro-British party in the United States, under the caption "Westminster watchdogs awaken." I appeal to my brethren of America to awaken when such charge as that is made. The writer then urged that encouragement be given this pro-British party, and said:

There are in the States two sections very well defined, the pro and the anti British. The division runs athwart even the strong line of cleavage separating free traders from protectionists. This means that some pro-British protectionists, while wishing nothing but well to Great Britain, are compelled by party attachment to back the present bill. On the other hand, there are conscientious free traders who would be against its passing but for the fact that their anti-British bias is stronger than their adherence to an economic theory.

Not content with this, the Courier's writer continued:

The general attitude of Great Britain, both officially and in her trading units, must be such that the pro-British party in the States is encouraged and the anti-British party made aware that the subsidy is not the concern of Americans only.

I ask those Senators who oppose this subsidy to listen to me while I repeat what the great British paper said:

The general attitude of Great Britain, both officially and in her trading units, must be such that the pro-British party in the States is encouraged and the anti-British party made aware that the subsidy is not the concern of Americans only.

They did not propose to let us run our own affairs. They were going to dictate to America what it should do in regard to this subsidy.

This writer continues:

There should be no empty threats of retaliation, either from Westminster or from the constituencies. There should be no waving of the Big British Stick—

He capitalizes "Big British Stick"—

There should be instead the actuality.

Not wave the stick at us, but hit us with the stick; not a waving, but a striking. He adds:

It is, of course, perfectly open to any Britisher legitimately to regard the subsidizing bill as *treachery to his country*.

(The italics in this quotation are mine.)

Great Britain, out of pure sentiment toward America, has agreed to alterations of her naval power standard.

Great Britain, out of genuine love for America, agreed to the 5-5-3 naval reduction treaty! Did anyone ever hear such a remarkable statement? Out of genuine love and sentiment to us Great Britain consents to the reduction of her navy.

She has consented to the supersession of the Anglo-Japanese alliance by a pact more favorable to the United States; she has allowed the trans-Atlantic consideration to affect her handling of the Irish situation.

I never imagined that before, but if anything on earth has finally induced her to be kindly to the Irish, I am glad of it.

"And in return what has America done?" the writer asks, and his answer is, "Worse than nothing." We not only abstain from assisting Great Britain in her efforts to reestablish European social life, he says, but he adds that we actively menace her by proposing a *breach of commercial morality*.

The United States has the audacity to propose a breach of commercial morality by introducing this shipping bill and trying to secure its passage. That is a breach of commercial morality!

There are three things that the British must do, the writer says, and he enumerates them thus:

1. Diplomatic suasion must be brought to bear upon Washington.
2. Capital and labor must combine, in the most actual sense, to produce and to transport at the cheapest rate.
3. America must be left under no misapprehension as to the solidity of the Empire as one vast commercial unit, in the face of the sustained aggression which the subsidizing bill foreshadows.

Those are strong words, Senators. I hope that every Senator in this body who contemplates voting against this bill will read and consider them. His way of having "pressure brought to bear upon Washington" was to have members of Parliament "insist that the British Government do its duty." Is it the duty of Parliament, or the British Government, to instruct the American Congress about the legislation it shall pass? I do not think so, and feel sure there is no man in this Chamber who does think so.

The Liverpool Courier is acknowledgedly an authority on things maritime, so its comment on June 9 last urging retalia-

tion when our shipping bill passes is of both value and interest to us in considering the bill. I quote verbatim:

It is quite untrue historically that subsidies necessarily fail. The Japanese merchant service, which so lately as 1890 had only 171,000 tons of shipping, has risen to its present figure of 3,354,000 tons largely through State aid and encouragement at British expense. The German merchant service was built up from small beginnings by subsidies, preferential railway rates, and pressure on emigrant traffic to 5,500,000 tons before the war.

SAYS SUBSIDIES AIDED RIVALS.

Mr. President and Senators, here is this great English newspaper, which is an authority on things maritime, admitting that subsidies do build up in a wonderful manner, and have built up in a wonderful way, the commercial marines of Japan and Germany. It says so in the plainest language. If subsidies have built up the German merchant marine and the Japanese merchant marine, why will they not build up an American merchant marine?

And while we are still on the subject of subsidies another British shipping journal of prominence, the Liverpool Journal of Commerce, reprints a dispatch to the Deutsche Bergwerks Zeitung from its Hamburg correspondent, in which it is stated:

In secret the British Government certainly is already granting large subsidies to many shipping companies.

Of course, I can not prove that, but here is a great British paper reproducing a telegram from a German paper saying that in secret the British Government is already granting large subsidies to many shipping concerns.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Missouri?

Mr. RANSDELL. I would be glad to yield.

Mr. REED of Missouri. If governments are granting subsidies to privately owned shipping concerns, it must be because without the subsidy they could not operate at a profit. If that is true, what is to become of the argument that we must turn our vessels over to a private concern because the Government has not been able to make a profit? It seems to me the two cases stand on the same bottom. Neither of them is running at a profit. I am following the line of the argument, not stating a fact.

Mr. RANSDELL. I will try to elucidate that point for the Senator. I am not contending that these governments have always given or always will give subsidies, but I do contend, and history confirms the statement, that Japan when a very weak power commercially, when it had, according to this paper, only 171,000 tons, inaugurated a policy of very large government aid, and as a result of that it built up a very strong merchant marine. I do not understand that Japan is giving very much aid now, though she is proposing the identical loan proposition we are proposing here. She is proposing, and I believe is going to carry out, a loan of 250,000,000 yen to assist in building ships, reconditioning ships, and things of that kind. The yen, I believe, is equivalent to half a dollar in our money, so that would be \$125,000,000.

I contend that Germany, when a weak nation on the sea, did establish a subsidy policy, for years maintained that subsidy policy, and as the result of that policy she became very strong on the seas.

Great Britain gave a great deal of aid to her shipping in the early days and she became so strong on the seas that she does not need to help all of her ships now, but she does very largely help her ships by naval subventions and mail pay. I have the figures here to show that Great Britain now aids her ships to the extent of about \$9,000,000 per year, not all of them, as we are proposing to do, but certain classes of her ships.

My contention, sir, is that if we pass the pending bill and get our ships on a permanent basis, make the American people ship minded, train them to go down to the sea in ships, make them turn their investments to the shipping business for a period of 10 years, as proposed in the bill, then we can carry on the business in all probability without further Government aid.

Mr. REED of Missouri. Will the Senator pardon just a further word? I am unable to discuss the question because of the condition of my throat.

Mr. RANSDELL. I am glad to yield to the Senator.

Mr. REED of Missouri. The Senator's argument this morning was that the vessels must be turned over by the Government because they were being operated at a loss and that all Government operations were a failure, because Canada's government-owned vessels lost some money last year and the conclusion from that loss was that they must be turned over to private ownership, where they could be made profitable.

Now, the Senator has said, in substance, that private ownership has also been a failure except when the Government makes

up the loss by a subvention. If that be true, then the argument against Government ownership fails, because we might as well lose the money directly on ships that we own as to pay out a subsidy on ships that we do not own. At least that part of the argument answers itself.

Mr. RANSDELL. Mr. President, if the Senator can get any consolation out of his argument I leave it to him. I can not follow him in that conclusion and shall, therefore, proceed with what I was saying.

Quite the bitterest of the comments against the shipping bill appeared in Fairplay, an English shipping weekly, that since has changed its tone materially. "Lookout Man," as he signed himself, entitled his article "Fights with the raw 'uns," meaning of course, a bare-knuckle battle, and went on:

Fights with the raw 'uns are barred in this country for moral reasons; they tended, I believe, to brutalize the onlookers; or, perhaps, they gave them a shorter run for their money than they seem to enjoy to-day, when a 20-round affair has even been known to last for six rounds, not seconds, though I fancy that the record has been almost reached. When, however, we are battling for existence, or at least for our purse, down the other fellow's yard, the gentler teachings of civilization and lecture-room logic have to go away and hide themselves. And that, I am pretty sure, is what would happen were the two great Anglo-Saxon races to find themselves at commercial death grips on the waters.

If that is not a threat, and a very serious one, I do not understand the English language. That the British realized their press comments in opposition to the American shipping bill were going too far is revealed here and there in their leading papers. For instance, the London Times of June 23 last, said:

American memories go back 12 years to the discovery by Congress that the German shipping companies then maintained a lobby in Washington for the purpose of thwarting any attempt to give legislative aid to American shipping.

And then follows what, in the correspondent's own words, may be called "passages discreetly worded," thus:

Congress and the country generally are perhaps inclined to be hypersensitive on the subject of foreign propaganda just now, and any interests who might think it desirable to follow the German example will unquestionably be defeating the object they seek to attain.

Another great British paper, the London Post, words its warning to us more adroitly when it says:

Mr. Harding's views, however, are not entirely agreed in by his party. Many Republicans believe that the proposed legislation is dangerous and will be bound to create friction with England and other maritime nations, and will not be productive of the results Mr. Harding anticipates. That the bill will be harmful to British interests is admitted.

And the British Government itself, in an official document discussing the postwar shipping situation, decides bluntly against "flag discrimination" because, it adds:

We have only to examine the nature of our carrying trade to see the undesirability of adopting any such policy.

I want to pause just a moment to point out the significance of the wording of that last sentence. Note that nothing is said about *equal opportunity for the ships of all nations*. The question is considered not on the basis of the world's carrying trade but on the basis of the carrying trade of Great Britain. A cold, clear-cut business proposition. And then follows the admission of this British Government committee that the ships of Great Britain carry more of the world's trade—not merely British trade, mark you—than the ships of all the other maritime nations of the world rolled together. And this is the country that charges us with seeking a monopoly of the seas.

This very report carries the matter even further in its conclusions when it says:

Our conclusion then is, and must be, that the only policy which can meet the position is one which, instead of giving preference at home, will secure the grant of national treatment to British shipping in the fullest sense abroad. Action should be directed toward maintaining this treatment where it is already given and toward securing it where it has hitherto been withheld. So far as maritime policy is concerned, this is the most effective support that His Majesty's Government can give to British shipping during the difficult period of reconstruction.

ATTITUDE MUCH CHANGED LATELY.

It is only fair to state that the truculent attitude of the British press is not nearly as pronounced now as it was six months ago. We can only conjecture the cause of this, but we can rest assured that it in no wise signifies a change of the British heart toward our plans for establishing a merchant marine. Perhaps some light is cast upon the situation by a cable dispatch from Washington to the London Post, "from our own correspondent," which appeared in that paper on July 24, last, just subsequent to my address on the British opposition to the shipping bill.

Referring to the Senate address, the London paper says that it "merits the attention of English readers, and shows the mischief done by injudicious utterances, printed or spoken."

Discussing the declaration from English sources that there is a "pro-British party" in Congress, the London Post corre-

spondent says that it is absurd to discuss it, because there is no such thing; but, he adds, "if there was such a party, the least said about it the better."

It is unnecessary—

He continues—

to go into the Liverpool paper's article further, but Mr. RANDELL was warranted in saying that it was offensive and opposed to the friendly spirit which should exist between the two countries.

And in closing, the correspondent states:

That the subsidy bill, if it should ever become law, will be harmful to British interests is, of course, well known on both sides of the Atlantic. Mr. RANDELL quoted one of my dispatches, in which those words were used, but that is not the moral to be drawn from his speech. The moral to be drawn home—

Senators will note that "home" in this case means Britain—is the absurdity and harm done by talking about "a pro-British party," which puts a dangerous weapon in the hands of men who will not scruple to use it.

Apparently Britain has taken the moral to heart, and its foot is on the soft pedal, for, as I have indicated, the tone of the British press is now in marked contrast to what it was a few months ago.

In fact, we find one British publication, the shipping weekly, *Fairplay*, in August last, in commenting on the address in the Senate, trying to make out a case to the effect that the British—instead of showing open hostility to the subsidy bill, know no more about it than they do of the fourth dimension and care less.

This is the paper which a few weeks ago was jumping on us and jumping hard.

Presumably because we have shipping in our bones—

This paper adds—

shipping questions are of as little concern to the average Englishman as the Tower of London to a city man. But though the thing is not impossible, it would take something very serious indeed to rouse public opinion to such an extent as to make it react on Parliament and compel our legislators to do anything to help the British mercantile marine.

The paper then goes on, and note the echo, albeit a faint one, of its "fights with the raw 'uns," when it approaches its climax:

Therefore, as most of us are rather anxious that our merchant fleet should never be handicapped by a subsidy, or even by such other retaliatory measures as unfair competition might render necessary, it is greatly to be hoped that nothing will be said or done in the United States capable of being employed as a frenzied electioneering cry on this side. We are a peculiar people, but, though we are willing to grasp either Excalibur or the sword of Don Quixote, we are an intensely businesslike one, too, as witness the fact that it is eight years ago that we went to war simply because we were under contract to do so.

THREATENED BY ENTIRE EMPIRE.

But we are threatened not only with Great Britain's big stick, but with the big stick of all the forces of British imperialism as well. Note how unmistakably the note of anti-American aggression is struck in the latest annual report of the Chamber of Shipping of the United Kingdom. Therein it is asserted that it is unreasonable for any country to expect to receive continued free navigation and equal trading rights within the British Empire if it adopts legislative measures hurtful to the empire's shipping. It must be recognized, it is further asserted, that in handling these questions other countries are dealing not with the United Kingdom, but with the British Empire. The obvious necessity for a great mercantile marine to that empire, it is added, need not be stressed, and it is declared that there have been recent indications that the British Government has definitely adopted an imperial attitude toward shipping questions as, for instance, in the discussions at recent imperial conferences and by the appointment of the imperial shipping committee.

To those who say that subsidies will be of no aid in the development of our merchant marine, I would point to the reference in this report of the leading British shipping body to measures that will be hurtful to the British mercantile marine. When they say "hurtful," is it to be doubted that they mean measures that would enable the shipping of other nations to gain a fair share of the world's carrying trade, which is now more than half British dominated, with the ships of Britain alone carrying more than the vessels of a dozen or 15 other maritime nations combined, including ourselves? Need it be doubted that Britain is opposed to anything that would cut into her huge and wholly disproportionate share of that commerce? She carries more of our own trade than we do ourselves, and she is perfectly content to have us continue under conditions that will assure her of continuing to do as she is now doing. And with the British taking the stand they do, can we doubt that the measures we propose to take will be effective?

Mr. President, I wish to give here a concrete instance of British discrimination against the United States. In this connection I call attention to a statement by Harvey S. Firestone,

president of the Firestone Tire and Rubber Co., at the annual meeting of that organization at Akron, Ohio, on December 15, only a few days ago. Mr. Firestone declared that unless action taken by England and certain colonial governments relative to the production and exportation of crude rubber is rescinded or modified in a drastic manner, the effect will be far-reaching. He added that the British policy had already caused an increase of 100 per cent. "This present advance," he said, "represents an increased cost to the United States of over \$100,000,000 on the estimated consumption for 1923, and this must be passed on to the tire user."

Mr. President, I am sorry there are none of our farmer brethren present to listen to me just now. I would like them to see what the British discrimination is doing to the farmer, because he uses more than half of the rubber, I imagine, which goes into automobile tires.

TIRE USERS TO PAY THE BILL.

In this connection, I should like to have inserted in the RECORD, without reading, an excerpt from a newspaper giving exactly what Mr. Firestone said.

The PRESIDING OFFICER (Mr. LADD in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

CHARGES BRITISH CUT UNITED STATES RUBBER SUPPLY—COST INCREASE OF 100 PER CENT WILL BE PASSED TO CONSUMER.

AKRON, OHIO, December 15 (by the Associated Press).—Harvey S. Firestone, president of the Firestone Tire & Rubber Co., in an address here to-day at the annual stockholders' meeting, declared that "unless action taken by England and certain colonial governments" relative to the production and exportation of crude rubber "is rescinded or modified in a drastic manner" the effect will be "far-reaching."

Mr. Firestone declared that "the limiting of production and exportation already has caused an increase of 100 per cent in the cost of the crude product since announcement of the new program was made in October."

"This present advance represents an increased cost to the United States of over \$100,000,000 on the estimated consumption for 1923," he continued.

"This must be passed on to the tire user. This is the time for the United States to pass such legislation as will encourage American capital to develop rubber plantations in the Philippine Islands, where the soil and climatic conditions are equal to any rubber-producing belt, and to negotiate with the South American republics to develop production in their rubber regions."

"Rubber is growing each year to be more important to the economics of commerce and transportation and great opportunities are before us to make the Philippines one of our most valuable possessions and to have a secure supply of this important product."

Mr. RANDELL. Now, here is an example of British discrimination that reaches even into the American farm, for the American farmer is vitally interested in the tire question and he will pay a large proportion of that additional \$100,000,000 next year. The increase that he and other automobile users will pay will not benefit American industry, but will go abroad to pay the British interests double what they have been getting for the same amount of material. This one instance of British discrimination will give a free and equal opportunity to all Americans to turn over to Britain in one year an amount equal to all the proposed subsidies for shipping for years to come.

In this connection, Mr. President, I ask to insert in the RECORD, as part of my remarks without reading, a clipping from a New York newspaper, quoting from Mr. Winthrop L. Marvin, vice president and general manager of the American Steamship Owners' Association, one of the best-known shipping men in America, who denounces the British mail ban against United States ships and says that the discrimination has extended over many years and more than counteracts the efforts which are made here to favor American vessels.

The PRESIDING OFFICER. Without objection, the clipping referred to by the Senator from Louisiana will be printed in the RECORD.

The matter referred to is as follows:

MARVIN DENOUNCES BRITISH MAIL BAN AGAINST UNITED STATES SHIPS—SAYS DISCRIMINATION EXTENDS OVER MANY YEARS AND SURPASSES EFFORTS MADE HERE TO FAVOR AMERICAN VESSELS.

The British Government's refusal, reported from London, to send Christmas mail by the United States liner *George Washington*, holding it for the slower British ship *Caronia*, which sails a day later, was denounced yesterday by Winthrop L. Marvin, vice president of the American Steamship Owners' Association, as an unjustified discrimination against American steamers.

"The United States has been paying of late years five or six million dollars annually for the conveyance of its ocean mails," said Mr. Marvin. "It pays American ships a higher rate than foreign ships, but it gives about half of its total mail pay to foreign shipowners. The British Government, on the contrary, pays not a penny to foreign and particularly to American ships if it can be prevented."

"This boycott of the American steamer *George Washington* by the British post office is nothing new. It is in exact accord with the proscriptive policy pursued for many years by the British authorities. When the long famous American Line of the International Mercantile Marine Co. was established in 1895 and thereafter, with the 20-knot flyers, *New York*, *Paris*, *St. Louis*, and *St. Paul*, it provided the swiftest weekly mail service across the north Atlantic. These Ameri-

can steamers were operated with the utmost regularity throughout the year. Only two British steamers were then faster than these four American steamers; yet the British Government would allow to the American line only letters specially addressed and insisted on sending the bulk of the western mail by the slower Cunard and other British steamers. It often happened then that goods consigned to New York merchants by the fast American ships reached piers here two or three days before the documents sent by the slower British steamers. New York business men protested again and again in vain against this excessive favoritism to slow British ships by the British Government.

"In 1905 Great Britain paid only \$10,511 in mail money to the four fast American liners, though the American Government in that year paid \$313,000 to British steamers on the same route."

NEWCASTLE INCIDENT AN EXAMPLE.

Mr. RANDELL. Mr. President, there is fresh in the minds of all of us the so-called Newcastle incident, which might well be classed as British discrimination against American shipping. Our consul and vice consul in that British seaport were accused of being too active in getting business for our ships. The British Government saw fit to think their activities transcended the bounds of diplomatic privilege. Our State Department, after investigation, thought otherwise; but under the customs governing diplomatic intercourse, the British Government canceled the exequatur of our representatives and perforce there was nothing to do but transfer them to other posts. Our consulate in Newcastle was closed, and I believe it has not yet been reopened, although representations have come from London that, perhaps, the British Government should not have acted as they did. Newcastle itself is feeling the effect of this action of His Majesty's officials, and has petitioned for a reopening of the American consulate there.

We all remember the Egyptian cotton case, which constitutes another example of how British commercial and shipping influence militates against the entrance of any foreign ship in its chosen, select trade. As at Newcastle, the British decided it was better to let us carry in our own ships some of the cotton from Egypt that we need; but it took considerable diplomatic persuasion to make them see this.

The barring of American tankers from using the Suez Canal was another instance of British influence working against our ships, but happily that matter was settled without recourse to any diplomatic measures. Our own American Bureau of Shipping had an able representative in Europe at the time, and his call at the London office of the Suez Canal Co. was productive of the essential modification of the new rules that had barred tankers classified by that society.

FOREIGN SHIP SUBSIDIES.

Mr. President, I now wish to give some figures as to the amount which is paid by foreign nations for ship subsidies.

When we consider the general subject of foreign ship subsidies, there must be taken into consideration not only the direct payments of Government money to shipping lines but several other important aids as well. It has been asserted that all aid to shipping by foreign nations totaled only \$17,000,000. Mail subventions, of course, are the most easily traced of all ship aids granted by our maritime rivals. The annual governmental budgets probably are the fairest way of estimating just how much these direct foreign aids amount to, and I would offer for the Senate's perusal a table, with certain explanatory notes, of the several amounts annually authorized to be spent or being spent as aid to shipping.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Annual amount of foreign-ship aids.

Nation.	Character.	Amount.
Great Britain.....	(Packet service.....	\$3,018,178
	Naval reserves.....	2,439,417
	Merchant ships, etc....	845,750
Canada.....	Mail pay.....	1,100,775
Australia.....	do.....	846,365
South Africa.....	do.....	767,790
France.....	Navigation bounty.....	216,000
	Mail subventions.....	4,708,655
	Fisheries.....	182,448
Norway.....	Subsidies.....	2,760,000
Denmark.....	Mail pay.....	229,256
Sweden.....	do.....	21,000
Italy.....	Mail and navigation....	14,100,000
Japan.....	do.....	4,833,411
Brazil.....	do.....	2,956,160
Spain.....	Mail and subsidies.....	3,300,214
Total.....		42,265,220

Mr. RANDELL. Great Britain naturally, because of its commanding position in ocean carrying, is the one nation to which we should look closely. Picking apart the direct aid of

\$6,243,345, we find that the mother country pays \$3,018,178 for "foreign and colonial packet services." All that goes in British ships, as I have pointed out elsewhere. The next largest item is \$2,439,417 for "naval reserves," a direct subvention to merchant ships and merchant officers to enable the nation to command services of ships and men immediately in time of war. The balance is made up of appropriations for "royal service of merchant cruisers" and for merchant ships direct; that is direct from the British exchequer itself.

When we delve into the direct aids given by the colonies, the sums for merchant ships from the public funds grow rapidly. There is Canada, for instance, that in mail pay alone, as was shown by a detailed table on page 523 of the RECORD by the Senator from Florida [Mr. FLETCHER], paid \$1,050,800 in 1921-22 and is paying \$1,100,775 in 1922-23. Much comment has been made about our own mail pay bills of about \$5,000,000, and yet Canada, with about one-twentieth of our population and with actual resources infinitesimal as compared with ours, can afford to pay more than one-fifth that sum.

Taking the much-disputed Australian figures, we can safely extract without fear of comment the \$846,365 which she pays to ships for mail carrying, including the Fiji Islands service. Add to this the \$767,790 paid by South Africa and we have from Great Britain itself and only three of its many colonies a grand total of almost \$9,000,000—to be exact, \$8,958,275.

That aid is of substantial benefit to British shipping without doubt, but Great Britain did much more indirectly for her marine workers when immediately after the war she lifted the ban of State control. That angle of the shipping situation is so important to merchant marine development that its value can not be estimated. It is best reflected in the comparative figures of idle tonnage, to which I refer elsewhere. Would to heaven, Mr. President, we had had the wisdom to follow the example of Great Britain and have made some disposition immediately after the war of our ships, thereby placing them in private hands.

Continuing our analysis of other foreign aids we find France increasing its mail subsidies for Far East service from 20,000,000 francs in 1922 to 45,000,000 francs for 1923. With 16,000,000 francs allotted to lines running to Portugal, Brazil, Argentina, and Uruguay; 6,398,000 francs for trans-Atlantic and 2,500,000 additional for New York runs, we find France paying 70,438,000 francs in 1923 for mail service alone. Even at the depreciated value of the franc this grand total almost equals our mail pay bill, yet France has less than half our population. Adding to the French mail pay the actual appropriated navigation and fisheries bounties, we find France directly aiding its shipping to the extent of \$5,107,104; and this in the face of a financial crisis that is the comment of all the thinking world to-day.

Norway, in proportion to its size one of the most important ocean carrying nations in the world, is so impressed with the importance of maintaining its ships on the seas that this coming year it is granting direct aid of \$2,760,000, an amount per capita that is staggering and which makes our own plea for \$30,000,000 for American ships fade into insignificance.

Before leaving this subject of direct aid, I will say that the value of national cooperation in business is wonderfully exemplified by little Denmark, as much a shipping country as a farming and dairy country. It was on Friday last only that I saw it stated in a shipping journal that Denmark's merchant fleet was 100 per cent active. Thus Denmark is the only nation in the world with all of its ships busy. There is much food for thought in that brief statement; but the answer lies in the intense nationalism that makes all her people only too eager to help one another and which leads her farmers to insist that Danish ships carry Danish products wherever possible.

We must not forget, too, that Japan is preparing, if she has not already done so, to grant a construction loan fund of 250,000,000 yen to her merchant-ship builders, to be spent for fast liners only—the very type of vessel most needed as naval auxiliaries. By a strange chance—I will not say design—this amount equals the \$125,000,000 we wish to have in our own construction loan fund for practically the same purposes—the building in American yards of the very types of vessels now lacking in our national merchant fleet.

COMPARATIVE COST OF OPERATION HERE AND ABROAD.

Mr. President, I now wish briefly to discuss the comparative cost of operation of ships here and abroad. Much has been said and written about the difference in operating costs of American ships and those of our maritime rivals. Wage scales on our ships in foreign trades easily average 30 per cent above the scales paid by our closest rival—Great Britain. They average so far above the others—the Scandinavian, Dutch, Japanese, and German—that the difference is not worth discussing here in detail.

These facts were just as glaring before the World War as they are to-day. They operated effectively then to prevent our entrance into our own foreign carrying trade to such an extent that in 1913 less than 10 per cent of our commerce was carried in our own ships. On its face, that might seem a shameful thing for any nation with such wonderful access to the sea as we have. In extenuation of that helpless maritime condition we can only say that our men who did go to sea were better paid, better fed, better housed, and better safeguarded than the seafarers of any other maritime nation.

Mr. POMERENE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. RANDELL. I shall be glad to yield to the Senator.

Mr. POMERENE. The Senator from Louisiana has just pointed out the large increase in the cost of operating ships in Great Britain over what it is in other countries. If that be so, then how is British shipping able to compete with the shipping of other countries?

Mr. RANDELL. I said that the cost in this country was about 30 per cent higher than the scales paid by Great Britain, and that Great Britain's scales were higher than those in other countries. That is true. The only way I can account for Great Britain's doing so much business when the wage scales are higher is because of the very great efficiency of the British merchant marine. It is so large; it forms such a very great percentage of all the marine of the world; the British have been masters in that line for so many years, I may say for so many centuries, that they have attained a commanding position and held it; but I should like to remind the Senator that many thinkers believe that the late World War was really the result of commercial jealousy and rivalry between Great Britain and Germany. Germany had built up a marvelous merchant marine prior to the outbreak of the war, and it was said that it was cutting into Great Britain's business in many of the countries of the world. It was taking a very large percentage of that business. Now, of course, the German fleet has been destroyed. Great Britain now has a great part of that fleet. We have a large part of it. I suppose France and Italy got their portions of the fleet. I have just brought out figures here to show that Australia received quite a number of those German vessels. Since the war we have had only a comparatively few privately owned and operated vessels to compete with Great Britain. The French merchant marine never seems to have been a success for some cause or other. The Italians have had a moderate degree of success, but they are not in a position to be world carriers. To a great extent they have handled their own business, but they have not been carriers for the rest of the world. The Norwegians have been to a great extent world carriers; but they, too, have only a limited number of ships, and there is plenty for them to do and at the same time for the British to do. The Japanese have come into the world of seagoing shipping very actively during the last few years, and my prediction is that they are going to be very powerful rivals both to Great Britain and to the United States.

Unless we can build up a merchant marine on some basis to compete with England, I do not see how it is possible for us to get a fair share of the world's commerce. I think the British are so much more skilled than we are in these marine matters, so much more skilled than any other nation, that they are going to continue to do the business. That may not be a very complete answer to the Senator's question, but it is the best I can give at this moment.

Mr. POMERENE. Mr. President, some of these reports—I think the report made by the minority members in the House; I thought I had it here; I have it somewhere—point out that the labor cost of operating our merchant marine is only 2 per cent higher than it is in Great Britain. Does that accord with the Senator's recollection?

Mr. RANDELL. No; that is not so, as I understand it. I have here a table which I do not want to take the time of the Senate to read in its entirety, but I should like to call to the Senator's attention some of these actual cases.

For instance, I have here the ship *Bantu*, a United States vessel of 4,229 tons. The monthly pay of that vessel, speaking of wages now—I am not going to discuss all of these features—the monthly pay of that vessel was \$3,235 for the 46 men of the crew. Compare that with the British ship *Bonny*, of 4,229 tons. It happens to be exactly the same size. In the crew of the British ship there were 43 men, as compared with the 46 in the American ship, and the monthly pay there was \$2,466, as compared with a pay of \$3,235 in the American ship.

Take the next case, the *Galesburg*, an American ship of 5,138 tons, compared with the *Ballygally Head*, an English ship of 5,179 tons. The United States ship had 39 men in her crew, the British ship 42 men. The wages of the American ship were \$3,097; the wages of the British ship, \$2,350.

So in quite a number of cases I give you the actual vessels of both Great Britain and America, and give you the actual wages; so it is not theory at all, but it is a plain, simple statement of facts which may be verified.

Mr. POMERENE. I do not find just what I had in mind, but here is something bearing on the subject. The report of Congressman DAVIS on this bill, when it was in the House, quotes from Mr. Lasker:

Chairman Lasker stated at the hearings that "There has been a difference."

Note, he says—

there has been a difference—

A difference of 25 to 30 per cent.

There has been a difference of 25 to 30 per cent, almost constant, in the wage between the American and British ship. That difference is cut away down now.

During the discussion of the question of comparative wages of American and British crews, the following question was asked and answer given:

"Mr. HARDY. * * * I have a statement here showing the difference in cost of crews amounts to nothing.

"Mr. LASKER. I do not know at the present moment that it does amount to anything."

There is a great deal of other evidence to the same effect. I realize that witnesses have testified to substantially what the Senator stated, and I am at a loss to understand why there is this difference of opinion as between experts who at least ought to have investigated this subject before they testified.

WAGE DIFFERENCE FAVORS BRITISH.

Mr. RANDELL. I will say to the Senator that so far as my examination goes there is a very great difference between the wages paid on American vessels and those paid on British vessels. There does seem to be the difference of opinion that he states, but I have gone into the matter just as fully as I can.

I am citing the tables showing the actual wages paid, and I shall be glad to look into the matter further, if I can, to see which set of witnesses has told the exact truth in this matter. The Senator knows, as a matter of common knowledge, that wages in America are higher in nearly everything than in Great Britain. I will say to the Senator that there is another question connected with that, if we are going to go into that discussion. There is the question of better food. We are required to give our men very much better food than they do in British ships. We are required to furnish them a great deal larger amount of air space. We are required to make them a great deal more comfortable than the requirements of the British marine. There is no doubt that the expense of operating our ships is very considerably higher, when all things are considered.

Mr. POMERENE. Mr. President, I realize that our food requirements are better than they are in other nations, and they ought to be better.

Mr. RANDELL. I quite agree with the Senator.

Mr. POMERENE. There is not any difference of opinion between us on that subject; but Congressman DAVIS evidently refers here to the testimony of Mr. Rosseter, who is a man of large experience; and this question was asked:

Mr. VARR. Have you any figures showing the cost of manning an English ship as compared with the cost of manning an American ship of the same size?

Mr. ROSSETER. Yes, sir. The prejudice on account of the somewhat higher wages and of the larger manning scale amounts to about 2 per cent of our operating cost.

And at another place here:

This feature was aptly expressed by Mr. J. S. Rosseter in a letter to Mr. E. N. Hurley, chairman Shipping Board, in 1919.

Not to quote the whole of it, he used this language—I am reading now from page 26 of Congressman DAVIS's report:

The prejudice of higher costs of manning, by which I mean larger crews at higher pay and extra cost of victualing, can be fairly stated as amounting to less than 2 per cent of the total operating expense. This can be entirely offset, and more, by a reasonable increase in the speed of our ships and by improving loading and discharging equipment, thus reducing the time in port as well as on voyage.

At another point, I think in this same report—in any event, it appears in the testimony—it was said that the cost of manning the vessels and the cost of the foodstuffs was only a comparatively small per cent of the total cost of operating the ships. I have in mind at the present time one witness who testified that the cost of victualing and manning the ships was only 7 per cent of the total expense. Can the Senator inform me as to whether or not that is correct?

Mr. RANSDALL. I can not give the Senator any information on that subject. The Senator will bear in mind that there were a great many witnesses. This testimony was taken for several months. It went through a long, long period, and there was a great deal of difference of opinion in regard to the matter, but the best evidence, as I say, as I have been able to analyze it—I should be glad to try to go into it a little bit more in detail in response to the Senator's question—from the best evidence that I can gather it costs considerably more to man and operate an American vessel than it does a British vessel. Let me remind the Senator that even if the difference were only 2 per cent for the actual cost of operation, that is a very big item. The cost of operation is the biggest thing connected with a vessel. This subsidy that so many people are objecting to amounts, experts tell us—and I do not know whether they are stating it correctly or not—to only about one-fifth of the fuel cost of operating a vessel. The cost of operating is a tremendously expensive thing. It includes the fuel, of course; it includes the wages; it includes everything connected with a ship; and even if you take Mr. Rosseter's figures there and say that it costs only about 2 per cent more for the operating cost in America than in England, that difference alone would be a very, very large one in favor of the British merchant marine.

Mr. POMERENE. Mr. President, I have been having serious trouble in coming to a conclusion as to what I ought to do on this subject. I sometimes hear the men who are insisting upon a subsidy declare that it is utterly impossible to operate without a subsidy. I find others who apparently are worthy of equal credence who tell me that it is not necessary. Now, it does seem to me that with all the actuaries we have, we ought to have some definite statement from the Shipping Board bearing on this subject, and we ought not to be left entirely in the dark about it.

Mr. RANSDALL. May I say that I quite agree with the Senator that we ought to have something a little bit more definite than we have; but I believe we have fairly definite information. The proof of the pudding is always in the eating, and we learn from the Shipping Board experts that it has been costing a considerable sum to try to operate American vessels. They have not been making money; they have been losing money. The Shipping Board has been trying its level best to operate them so as to make money, but they have told us they are losing around \$50,000,000 a year, including the care of the vessels, their operation, and so forth.

Mr. POMERENE. I recognize the fact that that statement has been made, but I have no figures which will enable me to make comparisons. Of course, we recognize the fact that the shipping of the world is about as low as it can possibly be. It is not a question of financial difficulties with Government-owned ships alone but there are financial difficulties on the part of privately owned vessels.

I have information to the effect that one certain company is willing to take a number of these vessels and operate them with or without subsidy, whether this bill passes or does not pass. I am not a shipping expert, but I would like to have some evidence from some expert if I can get it which will enable me to come to a conclusion.

COST TABLES IN COMMITTEE HEARINGS.

Mr. JONES of Washington. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Washington?

Mr. RANSDALL. I yield.

Mr. JONES of Washington. I desire to call the Senator's attention to page 169 of volume 1 of the hearings, which gives tables submitted by the Shipping Board itself. The Senator will find the tables of wages on various ships, American, British, German, Norwegian, and so forth, giving the compensation of the crew. I gave the Senator the page, and he can examine it. I will give just one instance. I want to call the Senator's attention to the fact that a survey of the whole situation was made by the Shipping Board and presented to the committee. This gives the crew list, the monthly wages on similar American, British, and German steamers, as of December, 1921. The figures are as follows:

American steamship *Munwood*, 3,190 gross tons.

German steamship *Amassia*, 3,300 gross tons.

British steamship *Munardan*, 3,813 gross tons.

Here is a statement of the pay of the crew of the American ship, including officers, per month. It amounts to \$3,107.50. On the British ship it amounts to 538 pounds and 10 shillings. If you count the pound at even \$5, there is still quite a difference between the two. On the German ships the cost is 33,200 marks. I do not know how you could figure that, the way marks are now. But we can compare the British and American

ships. The Senator will find several statements there with reference to that subject. Like the Senator, I am not a shipping man; I am not an expert; but these are figures which are submitted by the Shipping Board after a very careful investigation and survey of the situation.

Mr. POMERENE. I recognize the fact that it is almost impossible to make comparisons as to cost under present rates of exchange between the various countries, but it does seem to me we could get some figures which would tell us what the total cost of the operation of a ship is, what the wage cost is, what the ratio between wage cost and total cost is, and then we can probably reach some sort of a conclusion, even if it is not entirely satisfactory.

Mr. JONES of Washington. I think the Senator will find these figures to which I have just referred as definite as any figures anyone can hope to get. They give different exchange rates, and the Senator can figure any rate he sees fit to. If the highest possible value of the pound is taken as \$5, there is still quite a difference.

Mr. POMERENE. Of course, I intend to look into this further, but it seems I can get more misinformation on this subject than upon any other subject I have been in contact with for some time, and I do not know what to depend on.

Mr. RANSDALL. This is one of the most difficult subjects this Nation or any other nation has been confronted with. We know very well that the present merchant marine was a war necessity, and that it cost us over \$3,000,000,000. That is such a staggering sum that I can not comprehend it, and I do not believe anyone else can. It is a colossal study; it is a difficult study. We have been doing the very best we could to work it out, and I think the Shipping Board have been doing the very best they could to work it out, and that is a board composed of as good men as we can find. This bill is their unanimous verdict of what should be passed, and they agree unanimously on the facts in support of this bill.

Mr. POMERENE. I do not mean to reflect upon this board at all, because my judgment is that they are high-minded men, and I have no doubt but what they are doing the best they can; but when these figures are brought to me, necessarily I am prompted to inquire what information have they on the subject. Are they experienced shipping men?

Mr. RANSDALL. They have a number of shipping men in their employ.

Mr. POMERENE. I understand that; but some weeks ago the Senator from Florida [Mr. FLETCHER] read into the record an opinion by Mr. Dollar, one of the very successful shipping men of the country, in which he contends that a subsidy is not necessary. I have talked with other shipping men, who have told me, as I said before, that they were ready to buy these ships, or a certain number of them, and operate them, and they did not care whether there was a subsidy or not. When I am confronted with evidence of that kind, and other men who have had no experience in shipping come and tell me it is utterly impossible to operate the ships without a subsidy, what conclusion am I to reach? Above everything else, I want a merchant marine. I think it would be a calamity if we let this get out of America's hands. I am not enamored of Government operation, either of shipping or of railroads.

Mr. RANSDALL. The Senator knows we have not had a merchant marine in the past. When the war broke out we were carrying only 9 per cent of our commerce, and we have the ships now, and this is the only plan that has been offered, except continuation of Government ownership. There may be some difference of opinion as to what it cost to operate a ship here and what it cost to operate a ship there; but it is a fact that nobody can deny that it has been a very expensive thing to the American people to build these ships, and we are continually losing money on them. Nobody can deny that.

Mr. POMERENE. There is no doubt about that; but my history informs me that before the Civil War we did have a merchant marine, and it was a merchant marine of which we were very proud.

Mr. RANSDALL. The Senator's history also tells him that we had a discriminating duty at that time, and the merchant marine was built up on a discriminating duty. If we could have the discriminating duty now I would infinitely prefer it to this. I would put this subsidy bill aside in a second if we could enforce the discriminating duty provided for in existing law.

Mr. POMERENE. The Senator has brought up a subject I have been thinking a great deal about. I recognize the fact that we have authorized the denouncement of treaties so that we could have this discriminating duty, and two Presidents of the United States did not see fit to use the power which was

given to them by the Congress. That has not as yet convinced me that it ought not to have been done. It has seemed to me, as I have gone into this, that there are two things we could do: One is to enforce a discriminating duty in favor of goods that are brought into this country in American bottoms. The other is to do as Germany has done—give a preferential freight rate to goods going out of the country. In that way Germany has been able to indirectly defeat the provisions in these very treaties which are in force at the present time. Other countries can do this by indirection, but I love the American way of doing things by direction.

As I have said, I am disappointed when I think that while the minority of the committee have presented their views they have not come with a concrete suggestion of some sort of a substitute measure for this bill. The fleet is here. We have to deal with it. What are we going to do with it? I want to do the best thing I can.

DISCRIMINATING DUTIES PREFERRED.

Mr. RANDELL. Mr. President, in regard to this discriminating duty, I will say that we tried to put that into effect some years ago—I think it was in 1914 that the act was passed—and it has been on the statute books. The courts held it was in contravention of our treaties with other nations; and to overcome that, in 1920 we included in the merchant marine act of that year section 34, instructing the President to denounce these treaties—if there were any treaties in contravention, to get rid of them by denouncing them in accordance with the regular treaty arrangement. He did not do it. When Mr. Harding came in, 15 months ago, he did not do it either; and so it goes. It does not look to me as if we can get rid of them as a practical proposition; and even if we go to denouncing them under that law, I presume it would take well on to a year to get rid of them and get other treaties; and in the meantime what is going to happen to us?

I want to say to the Senator that personally I would infinitely prefer that the discriminating duties which are provided for in the law should be carried out in good faith; and if we can have that, I, for one, will never support a subsidy. But I do not know how to get it. If the Senator or anybody else can suggest a reasonable way in which we can put these discriminatory duties in force, then in heaven's name let us get them. But until we do get them, let us do the next best thing—pass this bill—for nobody else has suggested anything in lieu thereof.

Mr. POMERENE. Mr. President, the Senator has just suggested that if we did denounce these treaties it would take a year before we could do anything. It will be a year before we get anything done under this bill that will be of any particular consequence to the country.

Mr. McKELLAR. We could not sell the ships now, anyway. Mr. POMERENE. I may vote for this bill before we get through with it.

Mr. RANDELL. I hope the Senator will.

Mr. POMERENE. I do not think the Senator is hoping very strongly that I will, in view of the fact that he himself confesses that he prefers some other plan to this subsidy feature. The Senator has given a great deal of study to this. I wish he would prepare a bill along the lines of what is his best thought and what harmonizes with his preferences on this subject. It would help me immensely in coming to a conclusion. I hope we will have a little more light before we get through with this discussion.

Mr. JONES of Washington. Mr. President, I am very hopeful, with the Senator from Ohio. I know he wants to do the same thing I do. I just want to call his attention to the fact that the minority, in the views to which he has referred, declare themselves emphatically against Government ownership and operation.

I rose to call to the Senator's attention an article in the August, 1922, number of the *World's Work*. I heard him refer to Robert Dollar. This is an article by Robert Dollar, and I want to read to the Senator just a brief paragraph. This is at page 447 of that work. Listen to what Mr. Dollar says:

Under present conditions it costs the American shipowner more to operate his vessels than those of any other nation. This is not hearsay; I have before me recent figures, not made up for the occasion but taken off the reports that come to me regularly for my private information, concerning vessels in our own fleet. Here they are:

Kind of vessel.	Number of men.	Monthly cost.
Shipping Board steamer (American crew).....	34	\$3,718.50
American steamer (Chinese crew).....	46	2,124.50
British steamer (Chinese crew).....	44	1,567.20
Japanese steamer (Japanese crew).....	36	1,403.12

Mr. McKELLAR. I thought perhaps the Senator from Washington would be willing to take the figures as presented by the author of the bill, Mr. Lasker, and I want to read what Mr. Lasker said about the difference in labor costs. He said:

But I do know this, that to-day the labor cost between Britain and the United States is closer together than it ever was before in the history of shipping.

Again, while he was being examined by Congressman HARDY, he was asked:

If that is left out of this, then I do not want to go into that, except I have a statement here showing the difference in cost of crews amounts to nothing.

Mr. LASKER. I do not know at the present moment that it does amount to anything.

In other words, Mr. Lasker admits that there is no difference in labor cost between Great Britain and the United States at this time.

Mr. JONES of Washington. I merely want to suggest that I have not had the time to read all through Mr. Lasker's statement. I do know, however, that frequently and very naturally during his testimony in answer to questions he referred to the experts of the Shipping Board. Mr. Lasker is not a practical shipping man, as he frankly admits.

Mr. McKELLAR. The quotation which I cited will be found on pages 33 and 36 of the hearings.

Mr. JONES of Washington. I know how easy it is to take out of the testimony of a witness sentences or clauses that support a particular view, and it may appear that this was an opinion of the man or an express statement of the man when, if one would read his whole testimony, it would be seen that it does not correctly give his view and his idea. But it is certain that what I called to the attention of the Senator from Ohio [Mr. POMERENE] a moment ago was prepared by the experts of the Shipping Board and submitted to the committee and perhaps to the Shipping Board and Mr. Lasker. Mr. Lasker refers to it in his testimony. But what I have just read from *The World's Work* came from a really practical shipping man, and he said that these are his private advices which came to him for his particular information and not to satisfy any particular occasion.

I frankly say that I do not attach very much importance to a statement of opinion from Mr. Lasker as to the wage cost on a ship, because his experts submit the testimony that they gathered with reference to the actual cost. I have not had an opportunity to read Mr. Lasker's testimony through. Taking what the Senator quoted just by itself and standing alone, of course, we see what he expresses there, but I am satisfied that is not in harmony with the report of the experts. I am satisfied, if the Senator will read the whole of the testimony of Mr. Lasker, he will see what Mr. Lasker intended to express.

Mr. DIAL and Mr. McKELLAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield; and if so, to whom?

Mr. RANDELL. Mr. President, I have been very indulgent, but I wish to proceed with my presentation of the subject. I was anxious to give Senators an opportunity to present their views, but I prefer that they do it in their own way and in their own time. I have been glad to have the interruptions, but I wish to go on now with what I was saying on the subject of comparative costs.

It is a matter of shame to this Nation, to every one of us personally, that we did not see to it that this field for marine endeavor was broadened by some protective measures for our shipping, so that this great opportunity for useful work would be opened to thousands of other Americans at American wage scales, under American living conditions, and to the lasting benefit of America in peace or war.

It is to give that opportunity, to gain that important field of work, that the present bill has been drawn.

MANY OTHER COSTS ARE HIGHER.

Under its protection and with Government aid shipowners will be able to partly offset this great prime differential against our ships. Of course, there are other differentials in the shipping business that react against our vessels. I need only mention the higher cost of repairs which must be made in American shipyards if the ship is to receive Government aid; the higher administrative costs, due to better paid clerks, agents, stevedores, and so forth; and all of these higher wage costs are due to our better standard of living and the broader chance for advancement this country affords to the individual. We do not wish to restrict that chance for advancement, nor would we lessen the opportunity our ways of living provide for us all. And it is to extend and perpetuate that chance and opportunity that we are seeking to assist America's shipping enterprise.

I will not burden you with the technical details of how foreign wage scales at sea cut so far under American wage scales at the present moment that overseas carrying is not profitable for us. Without objection, I will offer for the Record a table of American and foreign ships so arranged and compared that anyone may see at a glance how great the American handicap is in this regard. All these wage scales have been taken from the actual ships' articles, and have appeared either in the hearings on the bill or in the Record, and all of them are of this year's date. They speak for themselves more potently than I could speak for them and furnish ample reason by their very being for the immediate passage of this bill.

Wage scales.

Nation.	Ship.	Tons.	Fuel.	Number men.	Monthly pay.
United States	Bantu.....	4,229	Coal.....	46	\$3,235.00
British	Bonny.....	4,229	do.....	43	2,466.50
United States	Galesburg.....	5,138	do.....	39	3,097.50
British	Ballyally Head.....	5,179	do.....	42	2,350.71
United States	Hog Island.....	7,800	Oil.....	32	2,792.50
British	Cornish Point.....	8,200	Coal.....	40	2,067.50
United States	America.....	21,114	do.....	612	37,916.25
British	Baltic.....	23,884	do.....	364	18,464.75
United States	Susquehanna.....	11,700	do.....	174	11,715.00
British	Berrima.....	11,202	do.....	174	8,067.75
United States	8,800 deadweight type.....	.....	do.....	41	3,135.00
British	8,800 tonnage type.....	.....	do.....	41	2,351.00
United States	Independence Hall.....	5,050	Oil.....	34	2,707.50
British	Matoppe (Lascar).....	.....	Coal.....	47	1,799.49
United States	Orleans.....	9,638	Oil.....	33	2,862.50
British	Mongolian Prince.....	9,670	Coal.....	42	2,269.50
United States	5,500 deadweight type.....	.....	do.....	34	2,675.00
British	do.....	.....	do.....	34	2,002.50
United States	Dakotan.....	10,200	Oil.....	33	2,762.50
British	Rexmore.....	10,200	do.....	42	2,231.00
United States	5,070 deadweight type.....	.....	do.....	30	2,475.00
British	5,000 deadweight type.....	.....	do.....	30	1,795.50
United States	3,390 deadweight type.....	.....	do.....	27	2,305.00
British	do.....	.....	do.....	27	1,651.50
United States	8,800 deadweight West type.....	.....	do.....	34	2,795.00
British	do.....	.....	do.....	34	2,025.00

Here is a mixed fleet employing 1,169 men for 13 American ships and only 960 men on the 13 British ships. The total monthly pay roll for the American vessels is \$80,473.75, an average of \$68.91 per month per man, while the monthly pay rolls of the 13 British ships total \$49,532.70, an average of \$51.90 per month per man.

Nation.	Ship.	Tons.	Fuel.	Number men.	Monthly pay.
United States	President Harrison.....	13,000	Oil.....	94	\$7,872.50
Japan	Rakuyo Maru.....	12,500	Coal.....	133	4,907.00
United States	Cananova.....	1,920	Oil.....	25	1,939.00
Danish	Borglum.....	1,909	Coal.....	25	1,633.00
United States	President Taft.....	14,123	Oil.....	190	9,969.50
Japan	Tenyo Maru.....	13,398	Coal.....	275	8,870.00
United States	Norlina.....	4,596	Oil.....	32	2,132.50
Swedish	Tasmanic.....	4,079	Coal.....	35	1,868.28
United States	Bird City.....	5,562	Oil.....	33	2,887.50
Dutch	Madiorn.....	6,803	Coal.....	57	2,485.47
United States	Catherine.....	2,130	do.....	32	2,232.00
Swedish	Karlsavick.....	2,373	do.....	26	1,401.88

In this mixed fleet we find the six American ships with a monthly pay roll totaling \$27,033 for its 406 men, an average of \$66 per man, while the six foreign vessels are run with an aggregate monthly pay roll of \$21,185.63, or an average of \$38.45 per month for each of its 551 men.

In regard to the differential against American ships, due to subsistence cost and to accommodations for the crew, you have only to look over the requirements of the seamen's law and contrast the home living conditions ashore of the American sailor and his foreign rival. There is no comparison as to quantity and quality of food served, nor can the living quarters of American and foreign ships be contrasted without everyone admitting that American standards are maintained afloat as they are ashore.

While on the subject of subsistence let me call attention to the increasing cost of Asiatics aboard British ships. The lascar makes a good seaman from the British owner's viewpoint, because he is cheaply fed and cheaply paid. Our bill bars the employment of persons not eligible to become citizens from both deck and engine-room forces and requires after a brief time that two-thirds of the crew must be citizens of the United States. This is one of the wisest and most important provisions of the bill.

OUR TONNAGE IN FOREIGN TRADE.

Mr. President, I ask permission to insert in the Record without reading the tabulation and statement in regard to our tonnage in foreign trade.

The PRESIDING OFFICER. Without objection, the statement will be inserted in the Record.

The statement is as follows:

If American shipping needs no aid, if it can meet foreign competition, and is meeting it successfully, as the opponents of the shipping bill assert, then they must have sources of information that are denied to me, and which, apparently, are denied to the Government of the United States. I have had some research made of the status of our foreign trade, from a number of angles, and no matter from what angle the situation is approached the analysis reveals one fact strikingly and unmistakably, and that is that the American merchant marine not only is not standing up under competition but is falling back steadily and continuously. This is the fruit of delay in securing legislation and the enforcement of that legislation so as to assure the permanency of an American merchant marine that will be consonant with the importance of our position in the international trade of the world. The merchant marine that we now have, under a continuance of the conditions we now have, is a helpless giant, mighty in tonnage but weak almost every way save numerically.

We need look no further than the record of the past few years. We came upon the seas, we saw an opportunity for strength where before there had been only weakness, but we did not conquer. No; we are being conquered.

The most recent figures that I have of our sea trade are for the nine months of this year ended September 30 last, and for the similar periods of the years 1919, 1920, and 1921. These figures represent the values of our imports and exports combined carried in American and foreign vessels.

In 1914 the entire foreign-trade fleet under the American flag aggregated only 1,076,000 gross tons. At the beginning of 1919 our merchant marine for sea commerce totaled about 5,000,000 tons. In 1920 it was 8,000,000 tons; in 1921, about 10,400,000 tons. At the beginning of this year it was about 10,300,000 tons, and it is now about 9,800,000 tons, or practically double what it was at the beginning of 1919, a gain in the past four years of 100 per cent. If with 1,000,000 tons before the beginning of the war we carried 10 per cent of our foreign trade, the natural thought would be that with ten times that amount of tonnage we would be in a position, so far as cargo space goes, at least, to carry all our imports and exports, especially as the volume of trade now is and has been less than it was before the war. Of course, however, a monopoly of the ocean transportation of all the commodities we exchange with other nations is neither possible nor to be desired. What we want and what we are entitled to is a fair share of our sea trade. With Great Britain transporting nearly 70 per cent of her foreign trade, how can she oppose our aspiration to carry at least half, and ultimately as much as two-thirds, of ours?

There is no reason why we should not be transporting half of that commerce right now—no reason but one, and that is that we have left foreigners in exclusive possession of advantages under which they are steadily increasing their control over the distribution of our goods. It will cost us some millions of dollars to offset these foreign advantages, but it will cost us billions if we do not take steps to overcome them and give our merchant marine a chance for existence.

Permit me to lay before you briefly the records of the past four years to which I have referred. In the 1919 period—comprising the first nine months of that year—the carriage of our sea trade was practically equally divided between three groups of shipping—one composed of our own vessels, another of British ships, and the third of the tonnage of all the other foreign maritime nations combined. The value of the imports and exports carried and the percentage for each group of carriers was as follows:

	Value.	Per cent.
American.....	\$2,580,000,000	34.3
British.....	2,496,000,000	33.2
Other foreign.....	2,448,000,000	32.5
Total.....	7,524,000,000	.....

This may be regarded as the start of the post-war race for ocean commerce. In the three-cornered contest we held a slight lead. Competition had not come into play, for there was employment for all ships that could carry cargoes. American shipyards were at the peak of production, others had not begun to catch up on their war losses of tonnage, and we were in a position to utilize the output of our yards and gain new trade before the other maritime nations were in a position to compete. To get and hold that trade meant the establishment of an adequate American merchant marine. We got it, but we did not hold it.

The record for the 1920 period shows how we got it. In 1919 our vessels carried American imports and exports valued at \$84,000,000 more than those transported by British vessels. In 1920 our lead over the British jumped to \$840,000,000. But a more remarkable contrast is to be found in the comparison of what our vessels carried and what those of the other than British nations did. For the 1919 period our lead was \$132,000,000, while in the 1920 period it was \$2,132,000,000. It is worthy of note, also, that while in the 1919 period British ships carried only \$48,000,000 more worth of goods in our trade than all other foreign ships, in 1920 she led by \$1,292,000,000.

Those were the days of high prices and high freights and little competition. Our share of the carrying trade jumped 10 per cent in the 1920 period and Britain's 2 per cent, but the proportion for the other foreign countries dropped 12 per cent. But the 1921 period presents a very different picture. Our \$840,000,000 lead over Britain was reduced to \$65,000,000, and our \$2,132,000,000 lead over the other foreign nations fell to \$452,000,000. Competition was again under way and instead of cargoes seeking cargo space, cargo carriers were seeking cargo. Our percentage gain of the previous period was more than cut in half, while Britain held her own and the other maritime nations scored an advance of 5 per cent.

The 1922 period has witnessed the relegation of our merchant marine to second place. Instead of leading Britain by \$65,000,000, as

In 1921, she led us by about \$20,000,000, and instead of a \$452,000,000 lead over the other foreign nations we had one of \$311,000,000.

Here we are, then, practically back to our 1919 status, so far as the proportion of commodities carried in our own vessels is concerned, and with the lead we then held taken over by Great Britain, and this despite the doubling of our tonnage in the four years under review. As against that 100 per cent gain in cargo space we have made a gain of 1 per cent in the proportion of cargo carried by American vessels. Already Britain is leading us and the other foreign maritime nations are enlarging their slice of our trade at a rate that, if long continued, will put them ahead of us and we shall have moved from the head to the tail of the procession. That is the record of American shipping in competition with the cheaper built and cheaper operated foreign ships, whose owners are able to keep us from getting more than a nibble of their trade, while they carry off the bulk of ours.

So long as the foreigners continue to increase their share of our carrying trade and there is no increase in the volume of that trade there can be but one outcome, and that is more idle tonnage under the American flag. Here is another phase of the situation which those who claim that the American merchant marine can meet competition will do well to study.

It is true that we lack in this country close "cooperation on the part of shippers and shipowners and people generally." Business the world over is cold-blooded. The best service at the lowest rate is the universal motto. If American ships can not give as low rates as foreign ships because of their higher capital and operating costs, they can not get cargoes. If they can not give as good service when those first costs have been equalized by Government aid, they still will not get cargoes. But in every line of endeavor—invention, manufacturing, production—American genius and ability have triumphed, and only need something near an equal chance in the competition, whether that be an international sporting event, a world-wide financial deal, or an improved process of manufacturing a general utility. The world's history in the last century has shown American success in every field of endeavor, in spite of many handicaps, and knowing this one can not fail to believe that in the contest for world trade America will win if given half a chance.

Mr. RANDELL. I also ask to insert without reading a tabulation and statement in regard to the idle vessels here and in Great Britain.

The PRESIDING OFFICER. Without objection, the statement will be inserted in the RECORD.

The statement is as follows:

IDLE VESSELS HERE AND IN GREAT BRITAIN—FOREIGN SHIPS PAY DIVIDENDS.

At the beginning of July last there was said to be laid up in the ports of the world 7,750,000 net tons of shipping. On the same date there was laid up in British ports 1,112,000 net tons.

Commenting on this fact, a British publication, *Siren and Shipping*, in its issue of November 22, 1922, says:

"Even grouping the foreign ships in British ports to swell our total we are confronted with the pleasing fact that whereas we have under our flag two-fifths (or fourteen thirty-fifths) of the world's tonnage, we had only one-seventh (or five thirty-fifths) of the world's idle shipping on our hands. This is a gratifying tribute both to British ships and their owners."

The same publication, in the same issue, gives comparative figures of laid-up tonnage in British ports at various dates, as taken from the records of the Chamber of Shipping of the United Kingdom, as follows:

	Ships.	Net tons.
Oct. 25, 1921.....	742	1,296,000
Jan. 1, 1922.....	712	1,307,000
Apr. 1, 1922.....	484	836,000
July 1, 1922.....	583	1,112,000
Oct. 1, 1922.....	456	824,000

Speaking of the lessening of inactivity apparent on October 1 last, the British paper says:

"Whether the greater buoyancy which has recently characterized the trade marts of the world will be continued, time alone can show. One thing is certain, viz, that the British shipowner is better prepared than any other of his rivals to immediately exploit any market which may open out. Just as he can keep running, thanks to economical ships and efficient methods when many of his competitors are unable to do so, so is he readiest to take the field when a chance of new employment presents itself."

This tribute to the ability of British ships to meet competition and their readiness to grasp any opportunities that may be offered by the expansion of foreign trade are well borne out by the figures cited. The moral to be drawn from our share in the world's laid-up tonnage is a very different one, however.

The British shipping paper *Fairplay*, in its issue of November 23, gives a table showing that at the middle of this year there were laid up in British ports 1,780,000 gross tons of vessels, while for the United States the figures were 3,978,000 tons. It is pointed out that of the ships tied up in Britain not all are British, but even if they had been the total would have represented only about 10 per cent of the entire British fleet. Our 3,978,000 tons, on the other hand, does not include wooden steamers, but the total is more than a third of our seagoing fleet. In other words, Britain, with a foreign trade fleet practically double ours, had less than half the amount of tonnage tied up. It is apparent that in the competition to secure employment for ships we have lost heavily.

If we consider the position now as compared with about a year ago, the contrast between the American and the British merchant marine is striking. British figures prepared by the Chamber of Shipping of the United Kingdom show that on October 25, 1921, the laid-up British tonnage totaled 1,158,000 net tons, and that on October 1, 1922, the total was 752,000 tons. Records of the United States Shipping Board give the total for the ships of the board laid up on November 5, 1921, as 6,989,000 dead-weight tons, and on October 28, 1922, as 6,426,000 tons. It should be noted that while the British figures are in net tons ours are in dead weight, and that therefore the

apparent reduction in the year of 406,000 tons of idle British ships and 563,000 tons for American vessels does not give a true picture of comparison. By applying percentages, however, it is found that the reduction in Britain's idle tonnage for the year represented 35 per cent, while the reduction for Shipping Board vessels was only 8 per cent. The ratio in favor of the British merchant marine therefore was more than 4 to 1.

Perhaps the picture will be clearer if we talk in terms of ships, and not of tonnage. Idle British vessels during the year under review were reduced from 654 to 419, a drop of 235, or 36 per cent. The Shipping Board's inactive vessels were reduced from 1,028 to 989, a decline of only 39 ships, or 4 per cent. In the reduction of inactive ships, then, Britain's gain was nine times ours.

The American figures shown take into account only the Government's steel vessels; but there is also a large volume of tonnage privately owned under the American flag which is out of commission for lack of cargoes. I have no official figures for this, but it can be conservatively estimated that at least 1,000,000 gross tons of private American shipping is inactive. That would represent about 20 per cent of the private foreign trade fleet. Of the Shipping Board's total steel tonnage two-thirds is idle, and the position has been practically unimproved during the past year. On November 8, 1921, for instance, 66.9 per cent of all the board's steel tonnage was tied up, while on October 8, 1922, the figure was 65.7 per cent, an improvement in a period of almost a year of only 1.2 per cent.

If American ships can compete on even terms with foreign ships, why are they not doing it? Let us not forget that even with only about one-third of its tonnage in operation, the Shipping Board is losing at the rate of about \$50,000,000 a year. And if you say that privately operated American tonnage is competing successfully, if they, too, are not losing money, I am at a loss to understand why British and other foreign shipping enterprises are declaring dividends of from 10 to 15 per cent and American companies are giving none.

At present we have more than a thousand steel vessels tied up, each one of which costs \$3,600 a year to maintain. To-day they may be worth about \$200,000,000,000. Depreciation of ships not in service is estimated at 10 per cent a year. The salvage value, therefore, of the idle fleet decreases automatically at the rate of \$20,000,000 a year. They are not salable without the subsidy and can not be operated by the Government without vastly increasing the Shipping Board deficits. These ships can not be sold unless the foreign handicap of cheaper operating cost is offset. Without this bill that handicap will be just as potent five years from now, and meanwhile the fleet will have been reduced in value by one-half.

If American ships can compete on equal terms with foreign carriers, they will obtain ample cargoes. Service being the same, the shipper will choose the lower rate. If foreign operating and capital costs are lower than American charges, foreign freight will be lower. If those differentials are offset by Government aid to American ships we can meet the foreigner on equal terms and obtain our share of the business.

BILLIONS PAID TO FOREIGNERS.

Mr. RANDELL. Now, Mr. President and Senators, I call the attention of the Senate particularly to a brief tabulation which I have made about the colossal sums that have been paid by this country to foreigners during the last 100 years for carrying our goods to and fro. I hope Senators will listen to the figures as I present them.

COLOSSAL SUMS PAID IN FREIGHTS, ETC., TO FOREIGN SHIPS.

In the past 100 years foreign interests have been paid more than \$28,000,000,000 in connection with the transportation by sea of American imports and exports. These figures are based on data of the Department of Commerce and the Shipping Board.

It is stated that freights, insurance, banking, brokerage, and other services connected with the shipment of goods in foreign trade approximate 25 per cent of the value of the goods themselves.

For the 100 years ended at the beginning of this year the value of American exports and imports by sea was as follows (1821-1921, inclusive):

Imports.....	\$62,174,000,000
Exports.....	86,629,000,000
Total trade.....	148,803,000,000

The division of this trade between the vessels carrying it was as follows:

	Value.	Per cent.
United States ships.....	\$35,631,000,000	24
British ships.....	56,545,000,000	38
Other foreign.....	56,627,000,000	38

During the century under review the shipping earnings in the carriage of American imports and exports were as follows:

	Value.	Per cent.
American.....	\$8,908,000,000	24
Foreign.....	28,293,000,000	76
Total.....	37,201,000,000	

From 1821 to 1862 an average of 80 per cent of our total foreign commerce was carried by American ships, but from 1862 to 1922 American participation decreased to an average of 19 per cent.

During the period from December 31, 1914, to December 31, 1920, the total value of our commerce by sea was \$47,626,000,000, the distribution of values carried by vessels being as follows:

	Value.	Per cent.
United States ships.....	\$12,130,000,000	26
British ships.....	19,810,000,000	42
Other foreign.....	15,686,000,000	38

The total paid to foreign interests during the 100 years was, therefore, \$28,293,000,000.

From the foundation of the Republic to the present time the Federal Government has expended for improvements of rivers, harbors, and canals, exclusive of the Panama Canal, the sum of only \$1,036,000,000, and for the construction of the Panama Canal, \$479,000,000—a total of only \$1,515,000,000.

Compare this sum of one and one-half billions paid for all our waterways, including the Panama Canal, in the 140 years of our national life with \$28,250,000,000 paid to foreign ships in the last hundred years.

If we had maintained an effective merchant marine during all these years and carried one-half our foreign commerce instead of 24 per cent thereof, the sum of \$9,608,666,666 out of this colossal sum of more than \$28,000,000,000 would have remained in this country. One year's interest at 3 per cent on this amount would have exceeded the subsidy proposed in the pending bill. In other words, if we pay the subsidy and thereby build up a strong merchant marine, the vast sums heretofore paid to foreigners will remain at home to enrich our own people.

Mr. BORAH. Mr. President—

Mr. RANDELL. I yield to the Senator from Idaho.

Mr. BORAH. It occurred to me that we ought to have an estimate as to what it would have cost us to maintain the merchant marine by subsidy during the one hundred and odd years to which the Senator referred.

Mr. RANDELL. If we had just carried out the wise shipping policy with which our forefathers started in 1789, the discriminating-duty policy under which we built up our merchant marine from nothing during that crucial year of our history, when we were carrying less than 9 per cent, so that five years thereafter we were carrying 90 per cent and also carrying much of the commerce of other countries—if that policy, sir, could have been kept up consistently, if we had not been hoodwinked by Great Britain into making treaties with her which were favorable to her and hurtful to us, if our old-time shipping policy could have prevailed, we would have carried continuously 90 per cent of our commerce or certainly more than three-fourths of it. I have just presented figures to show that from 1779 to 1860 we carried 80 per cent of our foreign commerce in our American ships. If we had continued to do that, we would have been better off, but we got away from that old policy, the Civil War intervened and the American merchant marine was destroyed during that war, and we have never had the vision to go back to the old policy. But for that, sir, we would have had a merchant marine without a subsidy.

OLD POLICY IS PREFERABLE.

The point I have tried to make is that I prefer the old policy, but we have been unable to go back to it. We adopted a discriminating duty in 1914 and it is in effect yet. In 1920 we adopted a provision in the shipping act of that year, section 34, directing, in the most positive manner, the President of the United States to denounce those treaties and go to the discriminating duty. He has not done it. Mr. Wilson did not do it and Mr. Harding has not done it. My contention is that the subsidy is the only thing practical that is offered. If the Senator can devise any reasonable method of relief so we can go to that discriminating-duty policy, I shall for one be glad to have it. I am only taking the subsidy because it is the best thing I know of and because other countries have taken it and made a success of it.

Mr. BORAH. That is a proposition about which the Senator and I disagree, as to other countries making a success of it through a subsidy.

Mr. RANDELL. We may disagree on that just as we are likely to do as to many things, but I have argued that fully and I am not going to go into it again. The Senator did not do me the honor of listening to that portion of my address, and I have already occupied so much time of the Senate I do not care to repeat; but I will ask him to read my speech, and, if he does so, I think he will find that a great deal of success has come to other countries from the subsidy policy.

Mr. BORAH. I read the speech which the Senator delivered before the termination of a recent session, from which I derived a great deal of information.

Mr. RANDELL. I am very glad, indeed, to know that; and I assure the Senator from Idaho that I appreciate his statement.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. RANDELL. I will yield for a question.

Mr. McKELLAR. I desire to do more than to ask a question. I wish to correct a mistake which I think the Senator from Louisiana has made; and it is a mistake which I know he would not want to make.

The Senator states that our great merchant marine was built up under discriminating duties prior to the Civil War, beginning almost with the commencement of our history. The historical facts are these: In our early history the merchant marine of the world was built up or was attempted to be built up by various kinds of discriminating duties; but in 1832, while Andrew Jackson was the President of the Republic, a law was passed which abolished all discriminating duties as against any nation which did not discriminate against us. It was thereafter, between 1832 and 1859, when there were no discriminating duties at all, that America made the greatest strides in building up her merchant marine. That merchant marine became so great, indeed, that it controlled nearly all of our overseas business. The Senator from Louisiana made the statement that our merchant marine before the Civil War was built up by reason of discriminating duties. He is in error in that respect. After 1832 there were no discriminating duties; and it was after 1832 that the great volume of our merchant marine was built up.

Mr. RANDELL. There was a long period, from 1789 to 1832, a period of 43 years, which were the real halcyon days of the American merchant marine. During all that long period of 43 years, as I recall history—I have not read it for some time—we imposed discriminating duties.

Mr. McKELLAR rose.

Mr. RANDELL. Wait a moment; the Senator will pardon me. Beyond question during that period we pursued the policy of discriminating duties. I recall the law to which the Senator refers which was passed under President Jackson.

Mr. McKELLAR. It was passed in 1832.

Mr. RANDELL. But a wonderful impetus had been given to our merchant marine under the discriminating duty act, which was passed, if I recall correctly, in July, 1789. From the very beginning of our Government we discriminated, and we placed our flag on every sea in the world. During that 43 years our merchant marine became very strong. As the result of some treaty arrangements and the law of 1832, to which the Senator refers, we did not discriminate thereafter; but we did considerable to aid our shipping. Does not the Senator from Tennessee remember the practical subsidy which was given to the Collins Line and to other lines of those days, to which we paid very large sums?

Mr. McKELLAR. Out of which there grew a great scandal.

Mr. RANDELL. There may have been a scandal; suppose there was; there have been many scandals in the history of the world, but we did aid our merchant marine very materially down to the very time of the Civil War. We either imposed discriminating duties or we granted mail subventions; at any rate, we always helped our merchant marine.

Mr. McKELLAR. If the Senator from Louisiana will permit me to add by way of correcting what I think is an error on his part, the Senator will recall that after the War of the Revolution we were in a constant struggle with Great Britain for trade. Then war came on between Great Britain and France, in which the United States became very nearly involved, all of which sufficed almost to blot our shipping off the seas. Then came the War of 1812, when our shipping was driven off the seas, and from that time until 1832, instead of the American merchant marine being built up it was in the greatest confusion and we were fighting for our life on the seas. It was only after 1832, when Andrew Jackson secured the passage of the law against discriminating duties, that our merchant marine really became a vital, splendid, living thing. It increased until the Civil War, when our shipping was again run off the seas, and it has never since that time come back.

Mr. RANDELL. Mr. President, I am glad the Senator from Tennessee thinks he has stated the historical aspect of the case correctly.

Mr. McKELLAR. I merely refer the Senator from Louisiana to history.

Mr. RANSDELL. Very well, I shall be very glad to look up the matter, but I do not agree with the Senator's historical statement at all. I think we had a wonderful merchant marine before 1832, and I should like the Senator to examine some of the subsidy acts which were passed by our great Democratic Congresses prior to 1859 up to the time of the Civil War. Should he do so, he will see that a great deal was done to aid the American merchant marine during those days.

Mr. McKELLAR. But it was not done by direct subsidies.

Mr. RANSDELL. I do not know what the Senator may call what was done during that time, but the aids provided were certainly very closely akin to subsidies. To me—

That which we call a rose,
By any other name would smell as sweet.

Mr. McKELLAR. I agree with the Senator that we ought to do everything in our power to build up a merchant marine in this country; I am just as much in favor of that as is he. The difference arises from the fact that he favors a direct cash subsidy, to be paid out of the Treasury of the United States, from the taxes of the people, to the Merchant Marine Trust, while I am opposed to that form of aid.

LITTLE INTEREST FOR MANY YEARS.

Mr. RANSDELL. I am glad to know the Senator from Tennessee wishes to build up an American merchant marine. We are together to that extent, anyway. The American Congress for many years has not evinced any real interest in the American merchant marine; but there is one thing certain, namely, that we have this big asset, and I think we ought to do something with it. The Senator from Tennessee proposes to turn it over as a side issue to the Department of Commerce, if I interpret his remarks correctly. I do not want to do that.

Mr. McKELLAR. I do not think the Senator from Louisiana has read my remarks, or he would have understood very differently.

Mr. RANSDELL. I do not know what the Senator would do, for his remarks and those of other Senators on the subject, and their reports, are so absolutely hazy, so difficult to understand, that I do not know what they want.

If Senators who oppose the pending bill would come here with a clean-cut substitute for it and state their proposals specifically and clearly and definitely, so that a child of 10 years would understand them, I should like to see them do it, for I am confronted with the difficult problem of letting our ships go to the demnition bow-wows or of voting for the passage of the pending measure.

I do not like subsidies any more than do others, but I can not overlook the fact that in the history of this country we have given what are substantially a great many subsidies. Will the Senator please tell me what but a subsidy were our tremendous donations to the railroads of 200,000,000 acres of land, worth from five to ten billion dollars, and probably as much additional given by the States and counties and municipalities in the way of taxes, bonds, and all kinds of exemptions? What were those if not subsidies? What is the aid which has recently been given by the National Government to highways, amounting to over \$500,000,000 in the last six years, and more contributed by the States and local municipalities, amounting in all to over a billion dollars? What is that, if you please, but a subsidy? What is the \$479,000,000 we gave to the Panama Canal in order that transportation might be cheapened between the Atlantic and Pacific Oceans but a subsidy to world transportation? What is the \$1,036,000,000 we have given to the waterways of this country during our national life in order to cheapen and better transportation facilities? What is that but a subsidy? What is the protective tariff, which at least the Republican side of the Chamber stands for, but a subsidy? What is a subsidy but an aid?

The Republicans stand for a protection to our industries through the tariff law, and many a Democrat stands for sufficient aid through the tariff law to equalize the cost of production at home with the cost of production abroad. I do not hesitate to say that I am one of those who stand for measures to bring about an equality in production costs at home and abroad, even if they have to be provided in a bill which is called a protective tariff bill. What are all those matters but aid? Senators object to the pending bill because it is called a "subsidy" measure, but they have given all kinds of aid in the various directions I have indicated. They are afraid, however, to vote for this bill because it is denominated or designated a "subsidy" measure.

Mr. BORAH. Mr. President—

Mr. RANSDELL. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, the Senator is quite correct in his recounting of the number of subsidies which have been granted. I think they may all be termed subsidies. It is a study of the effect of those subsidies upon American taxpayers that has led me to believe that subsidies are a great evil.

MANY INDORSE THE SHIP BILL.

Mr. RANSDELL. Now, Mr. President, to proceed—and I have already occupied a great deal of time—the Senator from Wisconsin placed in the RECORD a list of organizations which he said were opposed to the pending bill. I wish to have inserted in the RECORD without reading a list of organizations which are just as strongly in favor of the bill. There are two sides to this question. Our great American electorate and citizenry like to take the opposite sides of many questions. There are, in my judgment, a great many more favoring this bill than are opposed to it. In connection with the list which I shall print in the RECORD I particularly call the attention of Senators to the resolution passed in the city of New Orleans on the 18th of last October by the American Legion, the boys of the Army who went overseas to fight. Some of them were anxious to get ships when we did not have any and had to have all our boys carried over to save the world for democracy in ships of foreign nations. I ask unanimous consent to insert the list in the RECORD without reading.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

AMERICAN BUSINESS AND THE SHIPPING BILL.

Representative organizations of American merchants, manufacturers, and other men of business headed by the Chamber of Commerce of the United States have studied the shipping subsidy bill and give their endorsement to the bill or the constructive maritime policies of President Harding. The national chamber, after two referenda of its great membership throughout the country—business men of both political parties—states that it "repeats its recommendation in favor of the aid from the Government which is essential to the maintenance of a privately owned merchant marine. It accordingly asks that Congress expedite consideration of legislation which has in view the accomplishment of these purposes."

The American Bankers' Association at its annual meeting in October declared that "our merchant marine should be developed through individual initiative and not be placed under Government management. We approve the efforts of the President of the United States to bring about such a development."

Business men most familiar with the export trade spoke through the American Manufacturers' Export Association at its October annual meeting, declaring that "we approve the constructive policy of President Harding on the subject of the American merchant marine and pledge ourselves to devote our best energies to securing action along the progressive lines advocated by the President."

Similar action has been taken by many other national organizations of business men and also by the chambers of commerce and boards of trade of all of the larger cities of the United States and of the more important cities and towns in all sections north, south, east, and west. Support has been notably strong in the West and South through the Mississippi Valley Association, the Wisconsin Deep Waterways Commission, and the Iowa Manufacturers' Association, and boards of trade and chambers of commerce of Milwaukee, St. Paul, Omaha, Des Moines, Charleston, Mobile, New Orleans, and Galveston. It is stated that in the entire country not one commercial organization that has considered the shipping bill has failed to approve the bill or the principles embodied in it. A list of commercial bodies that have acted favorably on the shipping legislation follows:

NATIONAL ORGANIZATIONS.

Chamber of Commerce of the United States.
American Manufacturers' Export Association.
American Bankers' Association.
Bankers' Association for Foreign Trade.
National Association of Manufacturers.
Millers' National Federation.
American Farm Bureau Federation.
National Industrial Traffic League.
Mississippi Valley Association.
Middle West Merchant Marine Association.
Investment Bankers' Association of America.
Southwestern Millers' Association.

ALABAMA.

Mobile Chamber of Commerce.
Mobile Clearing House.

CALIFORNIA.

San Francisco Chamber of Commerce.
San Francisco Foreign Trade Club.
California Development Association.
Los Angeles Chamber of Commerce.
Los Angeles Association of Jobbers.
Los Angeles World's Traders.
San Diego Chamber of Commerce.

FLORIDA.

Tampa Board of Trade.
Pensacola Chamber of Commerce.
Fort Lauderdale Chamber of Commerce.
St. Augustine Chamber of Commerce.
Miami Chamber of Commerce.

GEORGIA.

Atlanta Chamber of Commerce.
Savannah Board of Trade.
Columbus Chamber of Commerce.
Macon Chamber of Commerce.

ILLINOIS.

Illinois State Chamber of Commerce.
 Illinois Manufacturers' Association.
 Institute of American Meat Packers, Chicago.
 Chicago Association of Commerce.
 Chicago Board of Trade.
 Chicago World Trade Club.
 Decatur Association of Commerce.
 Cairo (Ill.) Chamber of Commerce.
 East St. Louis (Ill.) Chamber of Commerce.

INDIANA.

Indianapolis Chamber of Commerce.

IOWA.

Iowa State Chamber of Commerce.
 Iowa Manufacturers' Association.
 Des Moines Chamber of Commerce.
 Dubuque Chamber of Commerce.
 Council Bluffs Chamber of Commerce.
 Davenport Chamber of Commerce.
 Sioux City Chamber of Commerce.
 Boone Chamber of Commerce.
 Greater Des Moines Committee.
 Cedar Falls Commercial Club.
 Fort Dodge Commercial Club.

KANSAS.

Kansas Millers' Club.
 Kansas City Chamber of Commerce.
 Topeka Chamber of Commerce.
 Wichita Chamber of Commerce.
 Atchison Chamber of Commerce.
 Junction City Chamber of Commerce.
 Salina Chamber of Commerce.
 Leavenworth Chamber of Commerce.

KENTUCKY.

Louisville Board of Trade.
 Louisville Hardware Club.

LOUISIANA.

New Orleans Association of Commerce.
 New Orleans Board of Trade.

MASSACHUSETTS.

Boston Maritime Association of the Boston Chamber of Commerce.

MICHIGAN.

Detroit Board of Commerce.
 Battle Creek Chamber of Commerce.

MINNESOTA.

Minneapolis Civic and Commerce Association.
 Minnesota Deep-Water-Ways Association.
 St. Paul Association.
 St. Paul Lions' Club.
 Duluth Chamber of Commerce.
 Duluth Commercial Club.
 Hibbing Commercial Club.
 Curtis Falls Commercial Club.
 Virginia Chamber of Commerce.
 Commercial Club of Alexandria.
 Red Wing Chamber of Commerce.

MISSOURI.

St. Louis Chamber of Commerce.
 Manufacturers and Merchants' Association, St. Louis.
 Merchants' Exchange, St. Louis.
 Kansas City Chamber of Commerce.
 Kansas City Board of Trade.
 St. Joseph Chamber of Commerce.

MONTANA.

Butte Chamber of Commerce.

NEBRASKA.

Nebraska Millers' Association.
 Nebraska Manufacturers' Association.
 Nebraska Chamber of Commerce.
 Omaha Chamber of Commerce.
 Rotary Club of Omaha.
 Lincoln Chamber of Commerce.
 Columbus Chamber of Commerce.
 Alliance Chamber of Commerce.
 Falls City Chamber of Commerce.
 Hastings Chamber of Commerce.

NEW YORK.

Chamber of Commerce of the State of New York.
 New York Board of Trade and Transportation.
 The Maritime Association of the Port of New York.
 Merchants' Association of New York.
 American Marine Association.
 Society of Naval Architects and Marine Engineers.
 National Board of Steam Navigation.

NORTH CAROLINA.

Fayetteville Chamber of Commerce.
 Greensboro Chamber of Commerce.
 Charlotte Chamber of Commerce.

NORTH DAKOTA.

Minot Association of Commerce.
 Bismarck Chamber of Commerce.
 Jamestown Chamber of Commerce.
 Grand Forks Commercial Club.

OHIO.

Cleveland Chamber of Commerce.
 Cleveland Chamber of Industry.
 Cincinnati Chamber of Commerce.
 Cincinnati Foreign Trade Association.
 Toledo Chamber of Commerce.
 Columbus Chamber of Commerce.
 Columbus Manufacturers and Jobbers' Association.
 Lakewood Chamber of Commerce.

OREGON.

Portland Chamber of Commerce.

PENNSYLVANIA.

Philadelphia Bourse.
 Philadelphia Board of Trade.
 Philadelphia Chamber of Commerce.
 Maritime Exchange, Philadelphia.
 Commercial Exchange of Philadelphia.
 York Traffic Club.
 York Manufacturers' Association.
 Lancaster Chamber of Commerce.
 Reading Chamber of Commerce.

SOUTH CAROLINA.

Greenville Chamber of Commerce.
 Charleston Chamber of Commerce.

SOUTH DAKOTA.

Huron Chamber of Commerce.
 Huron Commercial Club.
 Aberdeen Commercial Club.
 Watertown Chamber of Commerce.
 Yankton Chamber of Commerce.

TENNESSEE.

Memphis Chamber of Commerce.

TEXAS.

Houston Cotton Exchange and Board of Trade.
 Galveston Commercial Association.
 Fort Worth Chamber of Commerce.

UTAH.

Salt Lake City Chamber of Commerce.
 Salt Lake City Commercial Club.
 Ogden Chamber of Commerce.

VIRGINIA.

Richmond (Va.) Chamber of Commerce.
 Norfolk Chamber of Commerce.
 Norfolk Foreign Trade Club.
 Newport News Chamber of Commerce.
 Hampton Roads Maritime Exchange.
 Hampton Roads Foreign Trade Club.

WASHINGTON.

Seattle Chamber of Commerce.
 Tacoma Chamber of Commerce.
 Olympia Chamber of Commerce.
 Aberdeen Chamber of Commerce.
 Everett Chamber of Commerce.
 Port Angeles Chamber of Commerce.
 Hoquiam Chamber of Commerce.
 Bellingham Chamber of Commerce.

WEST VIRGINIA.

Huntington Chamber of Commerce.

WISCONSIN.

Wisconsin Deep-Water-Ways Association.
 Milwaukee Association of Commerce.
 Superior Civic Association.
 Madison Chamber of Commerce.
 Ashland Chamber of Commerce.
 Fond du Lac Association of Commerce.

ORGANIZED MARINE WORKERS WHO ARE IN FAVOR OF THE PENDING SHIPPING BILL.

Neptune Association of Licensed Masters and Mates, 6,000.
 United Association of Masters, Mates, and Pilots, 3,000.
 United Radio Telegraphers, 2,500.
 Ocean Marine Engineers' Beneficial Association No. 80, 3,500.
 Marine Engineers' Beneficial Association No. 33 (several thousand).
 Fidelity Marine Association (restricted to captains and first mates), several thousand.

National Board of Steam Navigation.
 American Society of Marine Engineers.
 Licensed Tugmen's Association.
 International Longshoremen's Association.
 Resolutions favoring the shipping bill adopted at the American Legion convention, New Orleans, October 16-20, 1922:

To maintain our ratio 5-5-3 it is necessary to have a sufficient merchant marine. The departments of the Navy and merchant marine should be closely connected so that both could be operated in harmony with one another at a moment's notice. In order that a merchant marine may be aided, to economize on our naval expenses, and to train our regular naval personnel on combatant ships, naval auxiliary vessels should, as far as possible, be chartered from well established merchant lines.

We are heartily in favor of the ship subsidy bill as a means to establish our trade routes. If carried out, the ship subsidy bill will automatically increase the available personnel of the Navy, add materially to the efficiency and strength of the Navy, and at the same time be a great aid to all business throughout the United States. Since the earliest days of history the control of the trade routes has been a secret of the growth and greatness of all world power, and this country, because of the paltry sum necessary to carry out the requirements of the ship subsidy bill, must not take the place of a decadent nation.

Whereas it appears that foreigners are in command of American ships in preference to Americans, particularly those operated under the United States Shipping Board: Therefore be it

Resolved by the American Legion in national convention assembled, That we urge that the national legislative committee take necessary steps to petition Congress and the Shipping Board to give preference to American citizens in securing officers and men for all ships operated by the United States Shipping Board; and be it further

Resolved, That the posts of the American Legion located at all shipping points be urged to take an especial interest in the affairs of the American merchant marine and the interests of the American seamen.

Mr. RANDELL. Mr. President, I wish to read a little parable to the Senate. I am not its author; one of my friends prepared it for me, but it seems to me so apropos that I should like Senators to listen to it if I may have their attention:

A certain farmer with his five sons lived on an island where they raised wheat. They owned a boat big enough to carry the wheat to the mainland market. This boat should have cost not more than

\$2,000, but was bought at a time when there were few to be had and it cost them \$10,000. There were many boats now, and its market value had dropped to about \$1,000—

Note the parity with our present situation.

Mr. BORAH. I can imagine who wrote that.

Mr. RANDELL. To continue the parable—

The question arose in the family, What should be done about it? The boat was still in excellent condition, but it would cost \$1,100 a year to operate it, and mainland boats would carry the grain for \$1,000 a year. One of the sons argued that since the other boats would charge \$100 less freight, it was obviously bad business to try to compete. He was for charging off the boat to profit and loss and letting it rot. Another believed the boat could be run as cheaply as mainland boats, but he could not produce any figures to show it—

We have had a great deal of that same sort of talk here—

An agent from the mainland came over and tried various arguments and schemes to induce the family to get rid of the boat, and pretty nearly succeeded—

Senators here have surely read a lot of that kind of stuff from "mainland" representatives in this country, camouflaged, of course, but I "jumped" on them so hard here last July on account of their direct accusations against us that they let up on that part of it, although I am satisfied they have been carrying on their attacks all the same—

But the old farmer after hearing all sides of the question called a family council. He said to the boys, "It is true that we paid a high price for the boat and that it can never yield an interest return on the investment—

No more can our Government shipping expenditures yield an interest return—

"but we do own the craft. So the best thing to do is to write off its cost and start afresh. It is true that it will cost \$1,100 a year to operate it; but, after all, we own everything necessary to keep it going. It is also true that we can get the same service from the mainland for \$1,000. But if we run our boat we can keep that \$1,000 in the family, and as a family we will be out only the \$100 difference on the cost of shipping our wheat. As a matter of fact, the whole \$1,100 will be coming right back to us."

I have just shown you that we have paid out \$28,000,000,000 to these foreigners during the last 100 years for carrying our commerce, insurance charges, brokerage, and other things connected with it.

He went on to say that they nearly went broke one year when they had no boat and there was trouble over on the mainland.

SHIP SHORTAGE OF 1914 RECALLED.

I should like my friend from Tennessee, whose constituents nearly went broke because they could not ship their cotton in 1914—

Mr. McKELLAR rose.

Mr. RANDELL. I am not going to yield now. I will yield to the Senator later as much as he pleases.

Mr. McKELLAR. All right. I want to tell the Senator something about my constituents and their experience with the Shipping Board.

Mr. RANDELL. I am not going to let the Senator break in on my speech. He took several hours here, and I want him to take all he wants in his own time; but this is my time now.

Mr. McKELLAR. Of course, if the Senator will not yield I will not say what I had in mind.

Mr. RANDELL. I was a cotton planter that year, too, and the Senator had a lot of cotton-planter friends, and I know that cotton went down to 5 cents a pound because we did not have any vessels in which to ship it. There was a good deal of demand for it, and if we had just had the ships it would not have gone down that way. That was in the fall of 1914.

There was trouble over on the mainland, and all their shipping was in use carrying soldiers and supplies, and there was none available to run to the island. Another time he wanted a lot of lumber to build a barn. Lumber was cheap on a neighboring island, but having no boat he had to buy it on the mainland at double prices.

The old man's view prevailed. By unanimous vote the family agreed to run their own boat, subsidize it for \$100 a year, and thereby save \$900 to the family coffers.

Now, are we going to take the old man's advice—use our own ships and put the freight charges in the national pocket, or are we going to quit in the middle of the job and let our competitors ship all that freight money out of the country?

Senators, that is a nice little parable. I hope you will read it carefully, and if it has any fallacies about it that you will pick them apart.

Mr. BORAH. I should be glad to know the author of it, and then I would have more respect for it.

Mr. RANDELL. He is a very good man, and he is not connected with the Shipping Board. I see what the Senator is driving at. He has no connection with the Shipping Board. The Shipping Board does not know that there is such a document as that which is in my hand.

Mr. McKELLAR. Will he be one of the beneficiaries of the Board.

Mr. RANDELL. Absolutely not. He is an official of this Government of high rank but not connected with the Shipping subsidy?

NATIONAL DEFENSE THE CRUCIAL POINT.

Now, Senators, I come to the crucial point of this debate, in my judgment. It is not going to be very long. I will not tire you much longer. There is one thing that has not been emphasized much here yet, and that is, What position does our merchant marine occupy in connection with our national defense? Can we maintain a Navy that will enable us to hold our proper place among the naval powers of the world unless we build up and maintain a strong merchant marine? I say "no," and I am going to give you my reasons for it in as clear language as I can.

Situated geographically as we are our national defense rests upon our sea power. The only means of applying our power to influence the action of those who might seek to do us injury is by way of the sea. Bear in mind, Senators, that with the exception of Canada and its few millions to the north, and Mexico with its few millions to the south, all of our intercourse with mankind is by way of the sea. We must carry on our great commerce with the world in ocean-going vessels, except to a limited degree with Canada and Mexico. The only means of insuring our prosperity is through our ability to sell to the rest of the world the surplus products that we can not ourselves consume, and this we can not do except by way of the sea.

We have to-day a foreign trade that has increased by leaps and bounds in the last 10 years. Our foreign trade in 1914 was about \$4,000,000,000. In 1920 it was \$13,000,000,000, with exports of over \$7,000,000,000. We American people are engaged in a foreign trade that is the greatest business in the history of the world, and history shows that such a trade can not long endure without adequate means to maintain and protect it.

War itself is but an ultimate form of economic competition, and for all great wars of the past it is not difficult to trace a basic cause in the friction and bitterness engendered by economic conditions that involve the question of trade. This was preeminently true in regard to the late World War.

A great power, to be truly independent and free from commercial subservency, needs a great merchant marine to carry its commerce. During peace, with the commercial organization and standards of life as they exist in our country, we must to-day have foreign trade. In order that we may not pay toll to foreign shipping and have our foreign trade at the mercy of competitors, we must have a fair share of our foreign commerce carried by our own merchant marine.

When war comes, and the entire military strength of the Nation is to be exerted, the Navy must draw vessels from the merchant marine for Navy use—cruisers, transports, supply ships of all kinds, and so forth. In addition, the merchant marine must continue the transportation of articles of commerce essential to the welfare of the people as a whole. When we organize for war the Navy and the merchant marine become practically one service administratively. During the World War 95 per cent of our merchant shipping was under Government control, particularly as to cargoes and routes.

As an addition to naval strength, the personnel of the merchant marine—a body of men with the sea habit—is a naval asset, whether in war it be employed on regular naval vessels, or merchant vessels converted to naval use, or whether it remains on merchant shipping for naval or merchant service. When we entered the World War practically our entire fleet had to devote itself to the training of raw recruits in the most elementary duties of the seamen, because we had no merchant reserve to call upon.

All great maritime nations have made provision in some way for taking merchant shipping into the naval service in time of war. This has taken the form of subsidies or subventions, direct or indirect, discriminating rates to further the growth of the merchant marine, and so forth. At least the merchant ships can be listed and classified and plans made for their transfer to the Navy. In 1898 we armed the few large passenger lines we had for distant scouting and general cruiser service. They did what they could, but due to lack of numbers Cervera's fleet cruised at liberty in the West Indies, and was discovered only after it had been in Santiago for some time. Other passenger and freight vessels were converted for blockade and patrol duty. Yachts, and even tugs, were armed and used for blockade and general duties devolving on small craft in war. In addition, there were hospital ships, transports, repair ships, and the entire service of supply—this with a war at our very doorstep, and against a power that was even worse off than we were.

VALUE OF MERCHANT CRUISERS IN WAR.

In the employment of converted merchant ships as cruisers many conditions may arise. Our Navy may be employed in protecting trade routes used by our merchant marine. It may be engaged in raiding the sea lanes used by the enemy, or denying him the use of them. Its operations may or may not lead to fleet actions. Our merchant marine may be carrying on

foreign trade, or it may be shut up in port. In any case, the Navy will be short of regular cruisers, and the converted merchantmen must fill the deficiency. As the regular Navy is reduced, the importance of the converted merchantmen increases. A large merchantman, converted to a fighting ship, may carry a battery formidable for a cruiser and have a great fuel endurance, and if there are no regular cruisers available for operations in a particular theater the converted merchantman becomes of prime importance there.

It would be impossible by agreement to prohibit or limit the use of merchant ships as converted vessels of war. Even without previous preparation, a vessel can be converted simply and quickly in about two weeks at a navy yard. The main items of purely military character needed are the guns, mounts, and ammunition, and these are generally in store.

Should navies become small by agreement, and remain so, nations that have funds available will seek to increase their naval strength by adaptation of their merchant shipping to purposes of war. Subventions are given to induce shipping companies to build with reference to war use, and at the same time to foster the growth of the merchant marine, as was done in the case of the Cunard line.

When our old cruisers are scrapped for age we will have only 10 cruisers of the *Omaha* class. It needs no argument to show that even with such assistance as can be given by destroyers, submarines, and a few aircraft carriers this number will not suffice in war. To supplement the deficiency it will be necessary to convert merchant vessels into auxiliary cruisers for the supply of the fleet, which will by so much reduce the merchant marine for commercial purposes.

Should all regular navies disappear, the large, fast, armed merchantman would be the most powerful fighting ship, and therefore the capital ship.

Secretary Denby said:

If we sank every ship of war in the world at this moment, Great Britain would rule the world beyond a question of doubt. Therefore, from a military standpoint, it seems to me that the creation of an American merchant marine is a vital necessity to our country.

Let me beg, Senators, that you pay close attention to those wise words of our Secretary of the Navy, that from the military standpoint alone a powerful merchant marine is essential to the safety of our country.

BRITAIN'S POWER FOUR TIMES OURS.

The following table brings the situation sharply in relief. The number and speeds of passenger vessels able to make 15 or more knots belonging to the United States, Great Britain, and Japan are tabulated below. I will not read all of them, but just a few of them. I find that the *Mauretania*, with a speed of 27 knots, belongs to Great Britain. We have no such vessel. The *Majestic*, with a speed of 26 knots, belongs to Great Britain. We have no such vessel. The *Leviathan*, with a speed of 25 knots, belongs to us. Great Britain has no counterpart of the *Leviathan*, but two vessels, the *Mauretania* and the *Majestic*, with a speed of 26 to 27 knots, respectively. The *Aquitania* belongs to Great Britain. She has a speed of 24 knots. The *Berengaria* and the *Olympic* belong to Great Britain, each of them with a speed of 23 knots. As an offset, we have one, the *H. F. Alexander*, with a speed of 23 knots; and so on down the list. I ask to have the balance of the table inserted, without reading.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Speed.	Great Britain.		United States.		Japan.
	Num-ber.	Name.	Num-ber.	Name.	
27 knots.....	1	<i>Mauretania</i>			Num-ber.
26 knots.....	1	<i>Majestic</i>			
25 knots.....			1	<i>Leviathan</i>	
24 knots.....	1	<i>Aquitania</i>			
23 knots.....	2	<i>Berengaria</i> and <i>Olympic</i>	1	<i>H. F. Alexander</i>	
22 knots.....			2	<i>Mount Vernon</i> and <i>Agamemnon</i>	
21 knots.....	2	<i>Empress Asia</i> and <i>Empress Russia</i>			
20 knots.....	1	<i>Empress France</i>			
19 knots.....	1	<i>Royal George</i>	1	<i>George Washington</i>	
18 knots.....	22		2	<i>Resolute</i> and <i>Reliance</i> (Panama flag).....	
17 knots.....	40		19		
16 knots.....	47		9		
15 knots.....	76		15		
Total.....	194		50		23

Mr. RANDELL. From this it will be noted that Great Britain possesses 194 steel merchant steamers of seagoing characteristics able to make 15 knots or more, the United States 50 vessels, and Japan 23. Each of that 194 is a potential auxiliary naval cruiser in time of war, and Great Britain has four times as many, practically, as we have. Consequently, in case of war, she would be substantially four times as strong as the United States.

Vessels over 25 years of age have been excluded, for whereas, if not nearly useless, they soon will be. It will readily be seen that Great Britain possesses four times as many fast passenger vessels as the United States. These can readily and quickly be converted into troop transports, scouts, commerce destroyers, and airplane carriers, for which in time of war every big nation would have immediate need. The possession of such ships enables a nation to keep its fighting forces at sea intact and not be compelled to detach units for other than fighting purposes. The possession of a big, fast seagoing merchant marine would enable this country greatly to hamper the foreign and seagoing commerce of an enemy and maintain an economic blockade in an efficient manner. The ability of Great Britain during the past war to accomplish this played a large part in the eventual strangulation of lines of supply into Germany. The comparative impotence of the United States would greatly hamper, if not indefinitely delay, the carrying out of the important naval strategy of any war in which we might be engaged.

Aside from the many auxiliary needs of the fleet, such as colliers, tankers, munition ships, repair ships, hospital ships, tenders, refrigerator ships, distilling ships, and so forth, any big nation at war in the future will find an urgent and enormous need for the transportation of scouting and fighting planes, possibly in vast numbers. Coast-defense planes will play hereafter as little part in modern war as coast-defense guns did during the last conflict. A nation in arms will have need for fast airplane carriers capable of great speeds and radius of action, carrying in their holds great numbers of airplanes for scouting, bombing, and fighting purposes. Certain ships of the passenger type will be peculiarly suited and readily convertible for these purposes. A nation in possession of such possible aircraft carriers will be able to take the offensive at sea without difficulty, and because of its far-flung battle line of air scouts be enabled to make its strategic and tactical dispositions to its own advantage, denying at the same time to the enemy information of the disposition, location, and size of the opposing fleets.

OUR SHIPS LACK THE SPEED.

With the exception of tankers and cargo carriers but few of our merchant vessels possess the requisites necessary to fit them for auxiliary service. Most of them lack speed sufficient for scouts or airplane carriers, while many of these same ships have insufficient radius of action for any duty they would probably be called upon to perform. It is not likely that this country will ever be at war with a power on this continent. Without bases in the area of probable operations great radius of action will be a *sine qua non* for our auxiliaries.

Neutral shipping may not be available to us for the transportation of the rubber, nitrates, manganese, and tin we are forced to import. Even if available the shipping will only be so at war-time prices. Bottoms enough we now possess, but they are inactive, and those not now considered worthless will soon be so through lack of use and care.

Personnel to man a great merchant fleet will come with the arrival of the ships themselves. In time of national peril we must have them, for the first operations are inevitably those at sea. During the last war the Navy of this country manned hundreds of ships, which should have been manned by sailormen taken or recruited from the merchant marine or a reserve. Without the possession of either class this country was suddenly forced to denude its fighting craft of men long trained to fight and place many of them upon vessels not destined to be combatant. Hundreds of thousands of green men were trained ashore and afloat, seriously handicapping the war vessels and rendering many of them incapable of taking part in a successful action. What our suddenly expanded Navy would have done without the buttress of the English Grand Fleet while we were using our seamen for the personnel of transports, cargo carriers, tankers, and other noncombatant ships can only be conjectured. Great Britain, on the other hand, with a large population long accustomed to the sea, either as merchantmen sailors or as fishermen, soon fell back upon a trained reserve. This is another cogent reason for a merchant marine.

When President Roosevelt in 1907 sent the United States Atlantic Fleet around the world, this fleet consisting only of 16 battleships, 6 destroyers—that went only as far as the Pa-

cific coast—and 3 auxiliary vessels, there were at that time only 5 United States colliers with which to fuel the fleet. To make this voyage possible we were dependent on the services of 50 colliers under foreign flag that supplied a total of 320,390 tons of coal, whereas our own colliers supplied over 26,418 tons. This was in a time of profound peace, when the fleet received a friendly welcome in every port and was able to purchase its food and supplies in every market. The impossibility of performing such a feat in time of war was apparent to none more than to President Roosevelt, who repeatedly called the attention of Congress to the military necessity of a merchant marine in support of the Navy.

It is estimated that in time of war to maintain our fleet in Philippine waters would require a minimum of 200 colliers and tankers for fuel alone. This leaves out of consideration vessels required for cargo ships, ammunition ships, repair ships, hospital ships, distilling ships, and so forth, that would be required to maintain the fleet itself, without directly supplementing its fighting strength, and which we should rely on obtaining only from our own merchant marine.

When we entered the World War in April, 1917, after that war had been in progress for nearly three years, we were confronted with the problem of transporting an army to Europe. Although there were ultimately transported 2,079,880 troops across the Atlantic, 1,027,300 of them were carried in foreign ships, principally British. By using our own battleships and pre-war transports we were able to transport only 76,812. Thanks to our use of the ex-German vessels, which, fortuitously, had sought refuge in our ports in 1914, there were transported 566,921. Ultimately, by the seizure of the Dutch vessels, which were also lying in our ports, we carried an additional 36,949. Privately owned American vessels transported 237,371, and the Shipping Board was able to transport 34,728, making a total of 925,781 eventually carried across by these various agencies that we were operating. Were it not for these peculiar circumstances, which we can not reasonably hope would ever be repeated, there would have been probably transported not more than 300,000 men, which would have been too few to have effected military results. We may well shudder to think what the neglect of our merchant marine might have meant to us and to the world.

When war breaks out every navy must turn at once to its merchant marine to supplement the fighting strength of its fleet. Large numbers of vessels are required at once as mine layers, mine sweepers, submarine tenders, destroyer tenders, patrol vessels, subchasers, and the like. In addition, as we have seen, an enormous transport service would be required if the operations were to be conducted overseas.

At the opening of the war there were in the Navy 344 vessels of all classes, with 75,074 men. When the war ended there were 2,202 vessels, with a total of 500,000 men. Eighteen months were required to assemble a force that should have been immediately available. Due to antisubmarine operations, the numbers of vessels in the British fleet was probably over double this number.

CRUISERS MOST SERIOUS MATTER.

But the situation of the United States as affects the national defense is most serious, when we consider the question of cruisers. Of modern cruisers capable of making 27 knots or better the United States has none, Great Britain has 44, and Japan has 10. Of those building or projected, the United States has 10, Great Britain 4, and Japan 15.

When we consider that Great Britain has, in addition, 194 modern passenger vessels capable of making 15 knots or better, all of which are capable of transformation into cruisers, while the United States has only 50, we at once see how fallacious is our estimate of equality of naval strength with Great Britain. If we consider the great passenger vessels of 18 knots or above, which would be capable of overtaking and destroying 99 per cent of the merchant ships afloat, we see that Great Britain has 31, where we have but 7. In addition, the naval bases which Great Britain has established all over the world, providing fuel and repair facilities, gives her great merchant fleet a mobility that none of our ships could enjoy.

The object of a navy in time of war is to gain control of the sea in order that one's transportation may proceed uninterrupted while that of the enemy is immobilized. To obtain this control it is necessary to fight for it and destroy the enemy's offensive power. But once command of the sea is achieved, it is necessary to have a very large force of cruisers in order to exercise that control. There is no military object to be gained in the destruction of the enemy's fleet if we are not prepared to reap the fruits of the victory by driving his merchant fleet from the ocean. It is not probable that we will ever have cruisers enough to accomplish this end, so our only recourse is

to have at hand sufficient fast merchant ships on which to draw in time of war to supplement our cruiser force so that the sea may be made safe for our trade. What other guaranty have we that our vast foreign trade in which we are engaged—the greatest in the history of the world—shall not collapse in time of war. For if we are not able to drive the enemy's cruisers off the sea the billions of exports and imports, which are the lifeblood of the Nation, will be lost by us to the enemy.

The ship subsidy bill is a plant of national defense insurance. It hurts no interests that are our interests. What we pay to foreigners for carrying our freight is nothing more or less than a subsidy to the foreigner. Why pay him and deny our own people? The powerful interests that are seeking to dissuade the United States from maintaining a merchant marine are playing their own game. They are not seeking our welfare but their own. In time of war they would be found ranged alongside our enemies. At a stupendous cost this merchant marine was constructed. If it is not maintained, another fleet, at extravagant cost, must be constructed sooner or later. But the advantage of maintaining the fleet that we have and not waiting for war to build another is that, while adding to our national prosperity, we are providing a national insurance against future disaster and possible defeat.

Mr. President and Senators, I thank you for your patient attention to me.

Mr. JONES of Washington. Mr. President, bearing upon the proposition suggested by the Senator from Ohio [Mr. POMERENE], I want to call attention to page 124, volume 1, of the hearings where is set forth the report of a survey of the Shipping Board's people with reference to the differential in wage and subsistence cost between American and foreign vessels. Then there will be found the tables on page 167 to which I cited the Senator from Ohio a moment ago.

On page 458 of the hearings will be found a statement of wages in national currency. This shows the wages on Shipping Board vessels, wages on privately owned vessels, and wages on British, Japanese, French, Spanish, Italian, and German ships.

Then on page 161 of the CONGRESSIONAL RECORD of November 24 of the last session will be found several statements with reference to various ships, showing the wages paid on American and British ships, and so on.

I understand that these tables were prepared by the Shipping Board people and they are brought right up to date, and that they are taken from the actual pay rolls of the vessels coming into our ports at the close of their voyages. I think they will furnish just as definite information to the Senator from Ohio and to the Senate with reference to wages paid crews on ships as can be found.

I want to call attention to the fact that it will be found from the tables referred to that not all the difference, but the great difference, in the pay of the crews of British ships and American ships comes from the difference in pay of the licensed officers of the ships. For instance, from the table it is found that the licensed officers of an American ship are paid \$1,390 a month in the aggregate, and the licensed officers of a British ship are paid \$746.70 a month in the aggregate. There is a difference against the American ship of \$643.30 a month, or for the year a difference against the American ship in operation of \$7,719.60.

Mr. McKELLAR. In reply to the statement just made by the Senator from Washington it seems that the principal difference in the cost of labor is in the cost of the labor of the officers of the ships. That could be obviated by the Congress itself if it so desired without interfering with the general labor at all.

Mr. JONES of Washington. Does the Senator mean that Congress should reduce the pay of officers on American ships?

Mr. McKELLAR. I think so. It seems to me that \$16,680 a year is a pretty good salary for an officer on a ship. It is more than twice as much as a Senator gets and more than the Chief Justice of the Supreme Court of the United States gets. These salaries of the licensed officers should not be included in estimating cost of labor on our ships. I take it that the \$35,000-a-year chief of operations felt he must be liberal in fixing the salaries of the licensed officers. All of which goes to show how easy it is to be liberal with the taxpayers' money. No wonder the present Shipping Board is confessing that it can do nothing but lose money on our shipping operations.

Mr. BORAH. Mr. President, the motion which is now before the Senate, as I understand, is the motion of the Senator from Nebraska [Mr. NORRIS] to displace the ship subsidy bill by the bill which he has introduced with reference to agricultural legislation. I want to address myself briefly to the motion, but before I do so I am going to digress for a moment to consider

the last argument presented by the able Senator from Louisiana [Mr. RANSDELL] that the ship subsidy proposition is, in fact, another phase of preparedness and that the necessity for greater preparedness is an unanswerable argument for the building up of a merchant marine at the expense of the American taxpayer. It would seem that the strongest argument they have to present is that we prepare at once and hastily for war.

If that be true and if that is the strongest argument in favor of it, then the ship subsidy ought to be able to wait until we can deal with another interest in this country which can not very well wait. I observe in the President's message delivered to the Congress a few days since this paragraph, which ought to dispel the increasing alarm of the Senator from Louisiana:

I bring you no apprehension of war. The world is abhorrent of it, and our own relations are not only free from every threatening cloud but we have contributed our larger influence toward making armed conflict less likely.

Now imagine, Mr. President, the dire distress of the advocates of subsidies, arguing it on the basis of preparedness, in the face of that message from the Chief Executive and the Commander in Chief of the Army and Navy of the United States. "No cloud in the sky; no threat anywhere." In fact, while it was assuring, it was not necessary for the President to tell us that. He only repeated what is apparent to all who observe the present situation. And yet the closing appeal of those arguing for the ship subsidy is that we must prepare for war.

I read another sentence from the message of the Chief Executive:

The four-power pact, which abolishes every probability of war on the Pacific, has brought new confidence in a maintained peace, and I can well believe it might be made a model for like assurances wherever in the world any common interests are concerned.

The four-power pact was a pact offered by the President and his advisers to insure peace on the Pacific. Although it has not yet been ratified, we are told that its influence has been such that peace has preceded the ratification of the treaty and that the Pacific, from whence it was supposed some threatenings of difficulty were to be heard, is now in a peaceful status. Everything is peaceful, the war clouds have been chased out of the sky, and still millions more must be hurriedly put upon the taxpayer to make ready for war.

Where is the necessity, Mr. President, for going further into the Treasury of the United States upon the question of preparedness? Is there danger from Germany, which is slithering down day by day to deeper ruin and misery? Is there danger from Russia? Is there danger from England, from France, from Japan? From what source comes the menace that there should be heard here in the Senate Chamber day after day and from the rostrum throughout the country week after week this cry of preparedness? Tax the American people a little more. Lay on an additional burden. War is imminent. It occurs to me, Mr. President, that it has reached a point of sublime absurdity. If the gentlemen who are arguing it do not think so they had better present it again in the coming campaign to the American voter, who is already overburdened with unbearable taxes.

Let me call your attention to the fact that this year, according to the Budget presented, we are to spend about \$300,000,000 on the Navy. Is it necessary to go beyond that, in view of the fact, as the President tells us, that there is no threatening cloud anywhere? In 1914 we expended less than \$170,000,000 upon the Navy. Now, four years after the World War, at a time when the whole world is in distress and overburdened with taxes, when the real disturbance is not that of war between nations but war between peoples and governments on account of oppression from fearful burdens of debt, we are expending \$300,000,000 upon the Navy. We are told, in addition to that, that the just argument for a departure from our national policy in granting subsidies to ships is to increase our preparedness. While we are expending \$300,000,000 this year for the Navy we are expending \$24,876,000 for agriculture.

How long, Mr. President, can we continue that kind of program? I advise my friends, in all seriousness, that if this subsidy proposition can not be sustained upon the theory that it is to aid American business, American agriculture, to aid in the restoration of those activities which are absolutely essential to the economic life of the Nation, it had better be abandoned. We shall expend this year, Mr. President, for war purposes, \$2,650,000,000; for agriculture, \$24,876,000; for the public health, \$15,877,000; for promotion of education, \$10,151,000; for labor interests, \$4,718,000; to study the causes of and the remedy for war, not one cent.

However, it was not my purpose, Mr. President, to do other than to refer briefly to the real merits and demerits of the measure to-day. Later, if the bill remains before the Senate, I shall discuss the merits.

I have stated a motion has been made to displace the pending bill and to take up another kind of legislation, designed to aid in some way the agricultural interests of the country.

The pending measure was withheld from consideration prior to the election. It was so withheld, as we all understood and as we all know, for the reason that it was thought unsafe and politically inexpedient to force it to a vote prior to the election. It seemed to be a matter of reluctance upon the part of the other body to vote upon the measure and to go home at once to see their constituents with reference to returning. Therefore, while the other House had ample time in which to consider the measure—much more time at their disposal than they gave to it when they did come to consider it—they passed it by until after the election. Now it is proposed, between the time when the election took place and the time in which the new Congress comes into power, to pass this measure; a thing which, to my mind, is not only unjust and unfair but, if one may consider it from the other standpoint, politically most inexpedient.

If this measure can rest upon its merits, can stand the test of debate, if it is in accordance with the wisdom and the wishes of the American people, there will be ample time to pass it after the Congress has come into power which was elected after the ship subsidy question was made an issue in this country. I am aware, of course, that Congress has technically the right to legislate just the same between now and the 4th of March that it had previously, and upon all ordinary legislation and routine matters, of course, it would make no difference; but here is a measure which has to do with establishing, in a sense, a new policy in this country, a measure upon which there is a wide difference of opinion and one upon which the voters of the country feel deeply. Such a measure should await the new Congress. A great national policy should not be forced in a way that savors of bad faith with the people who have to pay the heavy taxes to maintain the policy. Aside, therefore, from the technical right to enact the measure, if we have the votes to do so, it is certainly inexpedient to force a change of policy in the country between the time the election is held and the new Congress is coming into power.

Mr. President, that is not the most serious feature of it. It is not only proposed to enact this legislation by a dying Congress, but it is proposed, in so far as it is in the power of those favoring the measure to do so, to take out of the hands of the new Congress or of any other Congresses the power to control the execution of the bill when it becomes a law. It is proposed to take from Congress the power to control by appropriations the money necessary to execute the law. Every method and means possible for a bill to carry has been written into the pending measure to make it impossible or embarrassing for the future Congress in any sense to control its execution. It is not, therefore, alone the proposition of enacting such a measure, but the terms of the bill are such as to make it obnoxious, for the reason that it is an attempt to control the action of future Congresses. I now read a statement from the report of the committee, which is found upon pages 2 and 3, and which is as follows:

The provision in the House requiring specific appropriations from the merchant-marine fund to be made annually by Congress has been stricken from the bill. This is vital to its success. One main object of the bill is to bring about the purchase by private parties of the ships owned by the Government. This will require capital, which must be secured from banks and those who are willing to invest in shipping securities. This can not be borrowed by proposed purchasers and operators of the ships if there is the least uncertainty of the payment of the compensation provided in the bill. By reason of the changing of the political complexion of Congress and because of the bitter opposition to aid of this kind to shipping, no man would loan his money upon security of this kind, and thus one of the great purposes of the bill would be defeated.

In other words, Mr. President, recognizing the opposition in this country to the bill, recognizing the opposition to the policy which it involves, and recognizing the possible change of political complexion, both without our party and within our party, after it comes into power on the 4th of March, it is stated that the right to control the appropriations incident to the bill is absolutely vital to its success; that, if possible, the power must be taken away from future Congresses. This is the most interesting confession I have ever seen recorded in the solemn archives of this body, "change in political complexion;" in other words, the people must not be permitted to change this sacred law, it must be put beyond the reach of the taxpayer. He is to be yoked to his task and only the merciful considera-

tion of those who are to receive the subsidy shall remove the yoke. A dying Congress is to fasten on the burden and the new Congress is not to be allowed to lift the burden.

I submit to my Republican friends upon this side of the Chamber, we have trifled with our 7,000,000 majority about as long as we ought to. In the short space of two years we have about dissipated a majority of 7,000,000. My friends, it takes two things to make a party: First, you may have your organization; but, secondly, it is absolutely necessary to have votes; and the program which it is now proposed to carry out, an attempt to put over a measure which it is conceded the next Congress in all probability will not enact, is about as inexpedient politically, aside from its injustice and its unwisdom, as anything I can well imagine.

It is not for me to advise those who have in hand the running of the party of which I am an humble member, but there are some things, Mr. President, so utterly plain that a way-faring man, though a fool, may see; and one of those things is that the passage of this measure between now and the 4th day of March will not settle the question at all and will arouse the already pronounced opposition to greater opposition. If the new Congress, which has been elected upon this issue, should pass its judgment upon this matter, the American people, recognizing the right of a majority to legislate, would in all probability accede to that judgment; but a dying Congress, a Congress elected upon another issue, undertaking to tie the hands of the incoming Congress, will not settle this question at all.

Mr. WILLIAMS. Mr. President—

Mr. BORAH. I will yield in a moment. I venture to say that if there shall be an extra session after the 4th of March, at that extra session, should this bill pass, there will be a bill to repeal it introduced before the extra session is 24 hours old.

Mr. WILLIAMS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Mississippi?

Mr. BORAH. I yield.

Mr. WILLIAMS. Of course, the Senator is in the highest degree possessed of intellectual integrity. I know that; I have known it for years and I am glad to know it; but is not the Senator unconsciously making a little misstatement there?

Mr. BORAH. Perhaps so.

Mr. WILLIAMS. It is not the same thing, because if this bill is passed now under this accidental majority and the next Congress should by a majority repeal it, as it undoubtedly would, it would require a two-thirds majority to overcome the President's veto, and the President is committed to the measure.

Mr. BORAH. The Senator carried my argument a little further than I carried it.

Mr. WILLIAMS. I carried it to the constitutional limit.

Mr. BORAH. Yes; but what I said was that the passage of the bill at this time would not settle the question, for, whether we have votes enough to pass it or not, it would be a live issue here and a matter of agitation.

Mr. WILLIAMS. It would be a live issue and a matter of agitation, but it would not be a live issue as a matter of legislation, for it would remain upon the statute books, because, although a majority might want to repeal it, they could not muster a two-thirds majority to overcome the President's veto.

Mr. BORAH. Of course the Senator is correct in his construction of the matter if he carries it to that extent, and as a matter of logic it must necessarily go to that extent. I concede that proposition.

But, Mr. President, another equally serious proposition in regard to this legislation at this time is this:

We have only until the 4th of March to pass the appropriation bills and to legislate on other subjects during the time when we are not actually considering appropriation bills. It is very clear that if this bill stays upon the calendar we are not going to have any time to consider as they ought to be considered other measures. We may pass through some hurried legislation with reference to farm credits or the agricultural interests, or with reference to transportation; but no one knows better than those who are dealing with those subjects that if we should give all the time between now and the 4th of March to those two subjects, which are absolutely essential to the economic life of this country during the next few years, we would not have sufficient time to deal with them effectually or properly.

There is no more intricate or difficult question with which to deal than that of rehabilitating the agricultural interests of this country. There is no more vexed or involved problem than that of providing sufficient and efficient transportation for this country; and yet while those two matters wait, pushed aside,

we are hastening to pass a subsidy bill which will not in the least, in my opinion, as I shall undertake to show later, assist those whom a proper transportation system or a proper agricultural system would assist.

When are we going to legislate upon those two subjects? The President has told us that he does not want an extra session. Is it seriously proposed to take up practically all the time between now and the 4th of March to pass appropriation bills and a ship subsidy bill, and to let Congress stand adjourned until the 3d of next December and leave the farmers of this country in the situation in which they are now found? Why, my good friends, if you do that you will not have enough votes at the next election to count. Ship subsidy, whatever its merits or demerits may be, can wait. It will be just as beneficial to the people six months from now as it is now; and, notwithstanding the argument, not a dollar will be saved in the meantime with reference to the running of the ships by reason of its passage. The farmer, however, can not wait. The cropping time is coming. He must have his security, he must have his aid, he must have his outlook for better transportation, or the decrease in acreage in this country during the next year will be startling to the American people. Therefore, whatever the merits of this bill may be, it should be put aside until we can deal with those things which are immediate, imminent, and menacing if measures to deal with them are not perfected.

What is it that the American farmer just now needs? First of all, he needs to get to the seashore, to the ports, or to the markets. It is transportation by land which is now bothering the American farmer more than anything else.

I have here, I think, if I can put my hand upon it, a statement of something of the condition which confronts the farmers of the far West with reference to freight rates. There is no need of building ships under the present condition of affairs if it is impossible under the land transportation condition to reach the ships. In order to keep from freezing to death we are charged \$202.50 for every 50-ton car of lump coal brought to us from Utah; that is, to Idaho from the near-by State of Utah. Seven hundred dollars is demanded for every car of binding twine shipped to us; \$704 is demanded for every 40-ton car of wheat which leaves the station headed for Galveston—the seashore. Those are the conditions; and that, of course, is simply an indication of what the conditions are with which we ought to deal, if we can, and deal immediately.

The able Senator occupying the chair [Mr. CUMMINS in the chair] has given a vast amount of time to this subject of freight rates and railroad legislation; and no immediate, quick remedy seems to be in sight. It will take some time to deal with it; but we have bills pending relieving another situation with reference to the agricultural interest which ought to be taken up and considered.

The second thing which the farmer needs above all things is a market. After he reaches the seashore and after he has found his market there is an abundance of ships to carry it from the seashore to the markets. But where are the markets? There are now 22,000,000 gross tons of shipping lying idle, waiting to carry the products of the American farm or the products of the American producer to the markets if the markets can be found. It is not a want of transportation across the water; it is not a want of water carriage; it is inability to reach the seashore on account of freight rates and inability to find a market which is now distressing the country from one end of it to the other.

So, Mr. President, it occurs to me that it is only the part of expediency, the part of justice and of wisdom, to put aside this measure now, and take up the bill which is proposed by the Senator from Nebraska [Mr. NORRIS.] If it is not satisfactory, it can be made so by discussion and debate or by substitution; but we ought to address ourselves to the question of legislating upon those subjects of farm credits and railroad transportation rather than to deal exclusively with a matter which ought not to come up at this session at all, and which, if it is to come up at any time, can just as well come up after the new Congress comes into power.

Mr. President, I said that the thing which the American farmer desires now to find is a market. It is not carrying capacity upon the water that is wanted. The trouble is not the inability to find shipping; it is the inability to find a market abroad and the inability to reach the farmer's own home market by reason of freight transportation. There is no reason which occurs to me why this measure should be pushed in ahead of this other legislation. Of course I would not be misunderstood for a moment as being in favor at any time of a ship subsidy; but, if I were in favor of it, it seems to me that I would be willing to let it go to a test before a Congress which was elected after the issue was raised and after we had

disposed of legislation which is far more imminent and far more necessary at the present juncture of affairs.

The farmer will soon be planting his crops, if he is going to plant at all. With his crops now rotting in the ground from last year's planting, with his potatoes rotting, with inability to find markets, with no assurance as to credit to carry him over, with no assurance as to transportation, what do you think the effect would be upon the farming interests of this country if we should adjourn upon the 4th of March without doing anything except imposing some additional taxes?

Later, Mr. President, I shall discuss the merits of the bill, if necessary; but this is all I desire to say at this time. I feel most sincerely that we ought to give all the time at our disposal from now until March 4 to relieving the agricultural conditions and to the vital problem of transportation. These matters are pressing. If relief is not had and speedily the loss, the widespread injury, will be almost incalculable. We have promised to deal with these matters and let us speedily and in good faith keep our pledge.

Mr. JONES of Washington. Mr. President, I ask unanimous consent that when the Senate closes its business for the day it recess until 12 o'clock to-morrow. I suggest the hour of 12 o'clock because of the meeting of the Committee on Banking and Currency.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent that when the Senate closes its session to-day it take a recess until 12 o'clock to-morrow. Is there objection? The Chair hears none, and it is so ordered. The question is upon the motion of the Senator from Nebraska.

Mr. NORRIS. Mr. President, the junior Senator from Iowa [Mr. BROOKHART] desires to address the Senate. Just a few minutes ago he went out after some documents and papers; and I think, in order to give him notice, I will suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	France	Lenroot	Robinson
Ball	Frelinghuysen	Lodge	Sheppard
Bayard	George	McKellar	Shortridge
Borah	Glass	McKinley	Simmons
Brookhart	Gooding	McLean	Smith
Broussard	Hale	McNary	Smoot
Calder	Harrell	Moses	Spencer
Cameron	Harris	Nelson	Stanley
Capper	Harrison	Nicholson	Sterling
Caraway	Heflin	Norris	Sutherland
Colt	Johnson	Overman	Swanson
Couzens	Jones, N. Mex.	Page	Townsend
Cummins	Jones, Wash.	Pepper	Trammell
Curtis	Kendrick	Phipps	Wadsworth
Dial	Keyes	Poinexter	Warren
Dillingham	King	Pomerene	Weller
Ernst	Ladd	Ransdell	Williams
Fletcher	La Follette	Reed, Mo.	

The PRESIDENT pro tempore. Seventy-one Senators having answered to their names, a quorum is present.

Mr. BROOKHART obtained the floor.

Mr. FLETCHER. Mr. President, the Senator from Iowa has just hurried in, and he will excuse me a moment while I make one or two statements with reference to this motion, while he is arranging his data before proceeding.

I hope the motion made by the Senator from Nebraska will prevail. In saying that I do not mean to say that I am in favor of the bill reported by the Senator from Nebraska just as it is. I do not understand that the Senator from Nebraska insists that that bill shall pass without the change of a word or a sentence in it. I do believe that if an amendment can be offered to the bill which would better it in any respect the Senator from Nebraska would welcome such an amendment. I am in favor of taking the bill up because it brings the whole subject of agricultural finance before the Senate, and that is a subject of vital importance to-day.

When that bill is laid before the Senate, as I hope it will be, then it will be open to such modification and changes and to such discussion as will result, I believe, in legislation which will relieve the distressing conditions which prevail with reference to agriculture all over the country, and which is fairly well set forth in the report of the Secretary of Agriculture which has recently been submitted.

I therefore hope the motion will prevail, in order that this whole subject may come before the Senate now, and may be fully discussed and considered, with the prospect that legislation beneficial in character, and meeting the needs of the farmers of the country, will result before this session closes.

I wanted to say that, in explaining that while I shall vote for the motion to take up the bill as reported by the Senator from Nebraska, it does not follow that I shall support all the

provisions of that bill, or shall not support amendments or modifications which may be suggested, which I believe the Senator himself would welcome.

Mr. WILLIAMS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. BROOKHART. Certainly.

Mr. WILLIAMS. I will ask the Senator to permit an interruption for about three or four minutes. As the Senator from Florida [Mr. FLETCHER] just explained his position, I want to explain mine; not that I think the country cares a particle about my position. On the 4th of March I am going out, and I rather thank God that I am.

Mr. President, I did not think it was within the power of human ingenuity to originate any sort of a bill to present to this body, while I was a member of it, for which my vote was asked in preference to the ship subsidy bill that I would not vote for; but the Senator from Nebraska [Mr. NORRIS] has accomplished the impossible. I think of all the bad things I know of, a ship subsidy bill is about the worst, and when I see a man who pretends to belong to the holy, sacred new party which is standing for special privileges to none and equal opportunities to all, and find him advocating a bill even worse than the ship subsidy while he is opposing the ship subsidy upon the ground that it is special privilege and a taxation of equal opportunity, I find myself in an awful sort of a fix.

For me, I could not imagine a worse position than being reduced to a condition of nonaction. I have always thought that the Scriptures were right about the neutral; he is the most contemptible creature in the world. A man ought to be on one side or he ought to be on the other. He ought to vote with God or he ought to vote with Mammon, and I find myself to-day where I am absolutely a neutral and self-contemptible.

Nobody who is a Democrat, nobody who believes in special privilege for none and equal opportunities for all, could vote for the ship subsidy bill, and nobody who believes that this is a Government of limited powers and delegated powers could vote for the Norris bill, which involves the idea that the Federal Government is to become a commission merchant at a possible percentage, to deal in agricultural products, to buy and sell them, and an owner and operator of elevators and a warehouseman—mighty near as bad as—

The bo'sun tight and the midshipmite,
And the crew of the captain's gig.

The old Ocala platform which the Populist Party adopted 30 years ago in this country was an angel of light in comparison with the Norris bill. After nearly 30 years of public service I have the honor to say that I still believe that the best government in the world is the government which a man exercises over himself. I still have the honor to believe, with Thomas Jefferson, and even with George Washington, that the power of government over the individual and over business ought to be restricted; and I still believe with Thomas Jefferson—not to the extent to which he went, but to some extent, at any rate—that "the least-governed people is the best-governed people."

I would not want to live in a country where the State government under which I lived, much less the Federal Government, should be my commission merchant and my warehouseman and elevator dealer. Government is one thing; individual affairs constitute another thing. I never for one moment have surrendered to the idea that government has a right to carry on private business. I do not mean by that that I have not gone very far in the other direction during war times. Government has a right then to carry on a lot of things which hitherto have been called private business. I believe the Government has a right then to carry on a lot of quasi public business of every sort. But to put the Government in the pawnbroking business, to put the Government in the warehousing business, to put the Government in the elevator business, to put the Government out as a competitor against every man in the world engaged in any sort of business strikes me as an absolute prostitution of the purposes of all government.

Mr. President, government was not intended to be you and me. Government was intended to restrain you and me from transgressing against one another. Government was not intended to carry on the business of a nation. Government was to see that in carrying on the business of a nation justice and fair dealing and honor were maintained. I say honor, although, so far as I know, the idea that honor should be maintained in private business has never been suggested as a question of government regulation, but I believe in it. I believe, Mr. President, that the State or the municipality or the Federal Government or somebody ought to provide that whenever a man tells a lie in selling anything he ought to be subject to being sent to the penitentiary for having "got money under false

pretenses" when he told the lie. That is rather a new ground, too. But that is at least a Government regulation of private enterprise in order to bring about honesty between A and B and C and D in carrying on private enterprise.

But to prostitute the Government to being a pawnbroker, to being a commission merchant, to being an elevator owner or elevator seller or elevator warehouseman is a totally different thing. So far as I am concerned, I would just as soon live in Prussia as to live in any country, whether my own or any other, that undertook to say that the Government had the right to carry on with me every sort of business.

Mr. President, Senators may say that they are not contending that the Government has a right to carry on any sort of business or every sort of business; but if they say by law, as the Norris bill will say if it is ever enacted, that the Government has the right to be a warehouseman or elevator owner, that it has a right to buy and to sell agricultural products for export or for import or for domestic storing, then they have substantially said that Government ought to take the place of the individual citizen in every private enterprise.

God knows I did not know that there was anything mean enough, contemptible enough, low enough, radical enough, sovietical enough to make me hesitate when the question was presented as to whether I should vote for it to take the place of a ship subsidy bill; but the Senator from Nebraska, out of his own radical ingenuity, has originated something that does bring me to that point. Mr. President, I want to announce that the Senator from Indiana [Mr. WATSON], with whom I am paired, is at perfect liberty to vote on this question. I would consider myself absolutely disgraced if I ever voted to let the ship subsidy bill keep its place against the Norris bill or if I ever voted to allow the Norris bill to take the place of the ship subsidy bill. I shall, therefore, not vote for either of the eternal and everlasting monstrosities from the standpoint in which I have been taught to view them.

I have been taught by my English-speaking ancestry in Great Britain and here to believe that man was not made for government, but that government was made for man, and that government is a mere instrumentality which man exercises in the interest of the liberty and of the freedom and of the happiness of all, and not for the sake of the special privilege of any. And believing that, I could not vote for a ship subsidy which would give to a class already enjoying a monopoly of the coastwise trade of America in shipbuilding and in ship operation and in ship owning, to the utmost extent the Federal power could give it, a likewise monopoly in foreign commerce. Speaking of special privileges, it is the worst that I can dream of. Thinking that about it, Senators can imagine how astonished I was to learn that even the Senator from Nebraska could originate something that could vie in infamy, in my opinion, with its infamy.

There are men who do not believe in a protective tariff because it gives special privileges to certain classes by enabling them to tax the entire people through the higher prices of their products. But I find some of these same men want to extend the monopoly of the shipbuilding business beyond the coastwise trade, where it already has infamous lodgment, to the entire commerce of the world, so far as the United States Government can extend it.

When the question comes as to my selection of which of those two bills is the greater evil I shall solemnly confess in the presence of God and of all men that I do not know, and therefore I shall not vote upon the question, but I shall leave the Senator from Indiana [Mr. WATSON] free to vote as he pleases without my pair.

Mr. BROOKHART. Mr. President, the pending motion to proceed with the immediate consideration of the agricultural marketing bill and thereby displace consideration of the ship subsidy bill gives to the Senate itself the direct power to determine whether the short session of Congress shall be used to consider the great questions of agricultural credit and marketing as against the question of changing a government merchant marine to a private merchant marine sustained by Government aid.

The question is presented under peculiar and unusual circumstances. It follows a general election in which both the agricultural and merchant marine questions were at issue. The universal result of the election was an emphatic demand for immediate and effective relief to agriculture by legislative action upon both credit and marketing. At the same time by a very large majority the people decided against Government aid to privately owned shipping. Good proof of this is found in the vote of the House of Representatives when the shipping bill passed by but 24 majority. Sixty-nine Members voting for

the bill will be displaced in the next Congress by new Members opposed to it, thus giving a real majority of 90 against it.

This voice of the people, so clearly expressed at the ballot box, is the sovereign power of our Government. It is entitled to more than mere respect and consideration. It is entitled to obedience from every department of the Government. In spite of this sovereign command from the people of the United States, the President has seen fit to call the Congress in extra session and to urge the passage of the shipping bill to the practical exclusion of agricultural legislation. Republican leadership in both Houses has adopted the same view. I regret this exceedingly, and I can only regard it as a filibuster against the sovereign voice of the American people. I do not believe in the filibuster, and, above all, I do not believe in a filibuster against the supreme mandate of the people themselves. The issues in this case are so great, and the subject of such vital and urgent importance to the farmers of the United States, that I shall fight the filibuster to the utmost. I am ready to fight it upon its own ground and with its own weapons. Its only chance of victory is in the technical rules keeping retiring Members here until the 4th of March. Its sure defeat is in the technical rule of unlimited debate. When the Republican leadership places itself beyond and above the voice of the common people, it is not only inviting defeat in this Congress, but abdicating its right to organize the next, and is pulling down upon itself dire disaster in the elections that follow.

This voice of the common people is not new, but it is becoming exceedingly efficient. The common people may now be definitely identified as the farmers, the laborers with hand or brain, the soldiers, and the mothers, united upon a common ground for the common purpose of achieving the political and economic rights of the common people. This collective thought has decided that Government aid to private enterprises for profit is fundamentally wrong. It has further decided that present economic conditions are disastrously oppressive to agriculture and in a large measure are produced by improper laws and unwise governmental action.

One of the best illustrations in support of this conclusion is the transportation act. This ill-fated law is the first great Government grant of subsidies to the profits of private enterprises, and in this case for the operation of a public utility. Under the common and constitutional law the public utility has a guaranty of the right to charge rates high enough to yield a reasonable or adequate return upon its honest investment, subject, however, to the paramount rights of the public. Under the transportation act this rule of rate making is changed and the paramount rights of the public are eliminated. The commission is now commanded to levy the rates high enough to yield a return of 6 per cent upon a valuation of \$18,800,000,000, and for the first six months the deficit is guaranteed out of the Treasury of the United States. No reactionary leader in Congress and no reactionary newspaper ever called this state socialism; but if the farmers could have had a like guaranty during the first six months of their deflation it would have saved them \$7,000,000,000 and would have prevented widespread agricultural bankruptcy. Such a "wild" act as this, however, would have made the thrones of Wall Street tremble and filled its sympathetic newspapers with the red ink of Bolshevism. The guaranty of a half billion dollars to 8,000 millionaires to keep full the measure of their war profits is a wise, business-like, conservative, and patriotic use of the Public Treasury, but the guaranty of the cost of production to 7,000,000 farmers for a crop produced at the command of their Government at the oppressive cost of war prices is unwise, socialistic, and treasonable. This distinction is easily explained by the corporation lawyer, whose supermind lifts it up into a superworld of legal thought, but the common sense of the common man will never understand it.

For the next year and a half the commission was commanded without discretion to levy rates that would pay all operating expenses and yield a net return of 6 per cent upon this full valuation.

This it tried and failed, because the operating expenses climbed up to the sky and the common people went broke and were unable to pay the bill upon any rates whatsoever. Since then the rate has been reduced to 5½ per cent, and if the farmers and laboring people ever get money enough it will all be collected.

The valuation of \$19,000,000,000, in round numbers, as the basis of rates is unjust. It was made under the rules set forth in this law. Since it was made the railway executives themselves published a statement of the editor of the Wall Street Journal to the effect that the total railway securities were selling on the market for \$12,000,000,000. This means that all the

stocks and all the bonds representing the entire value of all the railroads in all the United States can be bought on the market for \$7,000,000,000 less than the valuation fixed by this law.

This is the first time that watered value has been legalized. We have always had watered stocks and watered bonds, but they had to shift for themselves. This water value is now given the sanction of law, and it will cost the American people \$400,000,000 a year to pay the return upon it. The transportation act should be repealed, and the water pumped out by the simple provision that the valuation of the railroads shall not exceed the market value of their securities.

The law makes no attempt to stop the capitalization of the unearned increment of property value of the railroads. This value is created by the general public, the same public that must guarantee the reasonable or adequate return to the railroads. It belongs to the public, and its capitalization should be prohibited by affirmative provision of law.

What has accrued in the past may become a vested right, but even that is disputed by good lawyers and by better common sense. In the future it will amount to three hundred or four hundred million dollars a year; and the capitalization of that the law can prevent.

The railroads are now getting over \$10,000,000,000 of the bonded portion of their capital at less than 4½ per cent. Under the present transportation law we must pay them 5½ per cent, or a bonus of about \$150,000,000 a year. This is unjust. The law should define an adequate or reasonable return so that it shall not exceed the interest rate on the bonded portion of the capital.

Other gigantic items are excessive profits of subsidiary corporations and the waste of competition. These certainly amount to several hundred million dollars per year. Altogether there is an excessive charge upon the American people of perhaps more than \$1,200,000,000 per year, without considering the wages of any man who works.

I have not taken up the railroad law with a view of discussing it in full detail, but only for the purpose of showing that under that law the Government itself has imposed these excessive burdens upon the American farmer and is to that extent to blame for his present plight.

I wish to conclude this part of my statement with a review of the psychology that produced this law. The roads were being operated by the Government. I do not question the integrity of the Director General of Railroads; he was both able and loyal to his country; but down below him, perhaps, below his possible personal touch, were managing officers who were neither loyal to him nor to the Government of the United States. They served the owners of the railroads. They wanted to discredit Government operation so that the roads would be turned back. They were traitors as truly as was Benedict Arnold. They deliberately muddled and mixed up the service. They hired excessive numbers of inefficient employees and paid them excessive wages for the deliberate purpose of increasing operating expenses. They advertised their own crimes as the evils of Government operation. They created a general sentiment and demand for a return of the roads to their private owners. With that they coupled the demand for this law. Then the propaganda went forth that it was either this law or continued operation by the despised Government of the United States.

Everybody forgot that the law authorizing the Government to take over the railroads also provided that the President should turn them back under the same law which had sufficed them for a whole generation. The President even issued a proclamation ordering them back on the 1st of March, 1920; but everybody forgot that. Even a Senator in this Chamber told me he voted for the conference report on the transportation act because he understood there was no alternative between this law and Government operation. The law never should have been enacted. The roads should have been turned back under the old law. A railroad manager stated to me that that would have meant bankruptcy to many roads. Perhaps it would to some, but nobody came along with a special privilege law to keep the farmers out of bankruptcy. Furthermore, we had 44,000 miles of railroads in the hands of receivers before the war, but they did not stop running. The Great Rock Island system was one of them. Dishonest private management had wrecked it, but a United States court restored both its solvency and efficiency in a few months.

In spite of the disloyalty and inefficiency in Government management, in spite of the increased and unnecessary expenses, the first year after the roads were turned back the private owners further increased their operating expenses by over \$1,400,000,000. About \$480,000,000 of that amount was represented by wages, but the other \$920,000,000 must be

attributed to the causes heretofore described. Since that time wages have been reduced in a lump sum by over \$400,000,000, and by a further reduction which caused the machinists' strike, but the rates until recently have been reduced less than \$100,000,000.

A similar situation and a similar propaganda is now developed in reference to shipping. The principal difference is that the Government did not own the railroads but it does own over 10,000,000 tons of shipping. The first demand of the shipping propaganda is that American shipping must sail under the American flag. It wraps itself in the garb of superpatriotism; it breathes the inference that now our flag is not on the seas and that the present situation is un-American and unpatriotic.

It is a strange and weird psychology when the mind refuses to see before its very eyes the flag nailed to the masthead of every ship by the hand of the Government itself, and it is more strange and more weird if our patriotism shall not become genuine until it is garnished and supported by unfurling the yellow flag of Wall Street above the Stars and Stripes. I believe the most patriotic ship is a Government ship, manned by Americans, and operated under the American flag in its own right. No American will complain of a small deficit when patriotism is at issue, but in the present case the deficit is not a loss to the American people, and especially to the American farmer.

I inquired of the Shipping Board as to the general rates before the war and at the present time, and I have the following letter from Chairman Lasker dated December 8, 1922:

DEAR SENATOR: Responding to the oral inquiry from your office with regard to comparative freight rates prior to the war and to-day, it gives me pleasure to furnish you the following information:

Taking our chief export, grain, the rate from North Atlantic ports to the United Kingdom in 1913 was approximately \$3.50 per long ton. This rate declined until in 1914, just prior to the outbreak of the World War, it reached approximately \$2.25. The rates to the continent were approximately 50 cents higher than these rates. Flour in 1913 was approximately \$3.80 per ton to the United Kingdom, and in 1914, \$2.69. General cargo over the same run approximated \$4.50 per ton, weight or measurement, ship's option.

In 1922 the rate for grain from North Atlantic ports to the United Kingdom approximated \$2 per ton of 2,240 pounds—

And grain is the largest item of our ocean cargoes, says this letter, and I may add the most important item to our farmers—and the flour rate about \$3.50. The general cargo rate is difficult to give because of the large number of commodity rates now prevalent. As an estimate solely, \$6 would probably represent the average rate.

The foregoing rates are based upon an estimated average for the last 12 months. The actual rates of to-day are in most cases much lower. For instance, the grain rate, which was 5 shillings per quarter on July 1, 1921, was but 2 shillings on October 1, 1922. Similarly, flour was 25 cents per hundred pounds on July 1, 1921, and 15 cents per hundred pounds on October 1, 1922.

In the same period the cost of operations has tremendously increased. The cost of shipbuilding is nearly twice the pre-war level. Bunker coals are more than twice the 1914 price, and wages of crews have increased about 50 per cent.

I hope this information is that which you desire, and that you will not hesitate to call upon me for any further assistance I may be able to render.

Yours very truly,

A. D. LASKER, Chairman.

The principal proposition of the situation, as disclosed by this letter, is that on grain the rate before the war was \$2.25, and for an average of last year it was \$2, and at this time it is considerably reduced, from 40 to 60 per cent below that. This has been done at the same time that ships have been operated with higher wages and higher costs in every respect, and at the same time the President informs us that they have reduced the deficit from \$16,000,000 a month down to \$4,000,000 a month. Viewing this matter from the standpoint of the farmer, I want to say that that four millions of deficit is not badly spent. It is worth while. It has accomplished something perhaps several times its value to agriculture in this country.

If that be true, why should any farmer want a ship subsidy which would turn these ships over to private interests and turn the rate-making power over into their hands? There is nothing in this bill which in any way regulates rates. There is nothing in this bill reaching out to say how these rates shall be controlled. We have had enough experience with the great financiers who will take over these ships to know that about one week is all the time they need for an agreement within the country or without, and rates will be made at their sweet will, and there will be no governmental power to compete with the schedules which they may establish.

On this basis alone I say, then, these ships are now worth to the United States all they are costing. Of course, I do not know just what the distinguished Senator from Mississippi [Mr. WILLIAMS] will do. He is 50 per cent with me and he is 50 per cent against me. He is 50 per cent for everybody and 50 per cent against everybody. He will vote against the ship subsidy bill, and that will leave these ships in the control of the Government of the United States, which, if I understood the trend

of his remarks, is also a very offensive situation to him, but it is not to me.

I want to speak this voice of patriotism: I want to say it is an unpatriotic position for officers of their government to be denouncing it as inefficient in the management of its business and its enterprises. If that situation be true, it is the patriotic duty of officers of the Government to see that it is corrected. I believe, so far as the Government operation of these ships is concerned, that it can be efficiently and economically done; and with the power it gives them over doing justice in rates and doing justice in commerce generally there is no question in my mind but that the highest patriotic duty demands that we keep them exactly where they are now.

There is no hurry about disposing of these ships. The new Congress will come in after the 4th of March. There will be only \$8,000,000 more lost up until that time, and the new Congress has the right to determine the question better than this Congress, because the new Congress was elected upon this issue; and in that proposition I agree most heartily with the eloquent Senator from Idaho [Mr. BORAH].

I believe from these facts it is evident that the rates on grain are greatly reduced as the result of our having the Government-operated ships. The farmers are saving many times more than the deficit. What would happen to rates if this Government shipping were turned over to private—which means Wall Street—control? That crowd never operates at a loss when a combination can be made. In one week it would reach an understanding that would boost rates to a point far higher than the present deficit. There is no provision in this law, as I have set forth, for the control of rates.

There is one other view of this deficit which I desire to present, and that relates to taxation to pay it. I have reached the definite conclusion that excess profits are the excess evil of this generation. Profits taken by the power of monopoly are taxation without representation just as truly as the tax on tea which started the American Revolution. There is no source of Government taxation so much justified as the source of excess profits.

I desire to present a few newspaper references in regard to recent financial operations in our country. I have here one statement which is headed:

Stock dividends voted in one day throughout country make vast sum. Total now \$1,600,000,000.

These same stock dividends are collected in profits charged to the American people in the operation of the various businesses. It makes no difference whether they are collected in one year or carried over from year to year; they are collected in the same way, and then when they are turned back to the stockholders in the form of stock certificates their property and their holdings are increased by that amount.

I should like to have these clippings inserted in the RECORD. They show a long list of these companies, with their names and with these stock dividends. I think it is well that the American people should have the best possible opportunity to contemplate what is going on in this direction, so I will ask that they be inserted in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

[From the Wall Street Journal, Tuesday morning, December 5, 1922.]
1922 STOCK DIVIDENDS NOW OVER \$1,000,000,000—STANDARD OIL COS. DECLARED OVER THREE-FOURTHS OF THIS RECORD-BREAKING FIGURE—TOTAL OF DECLARED STOCK DIVIDENDS MAY SOON REACH \$1,500,000,000 IN PAR VALUE IF STOCKHOLDERS APPROVE PROPOSED STOCK INCREASES—PRACTICALLY ALL THIS YEAR'S STOCK DIVIDENDS ARE SPECIAL EVENTS.

Over \$1,000,000,000 in stock dividends have been declared since January 1, 1922, by 79 corporations.

The greater part of this vast total can be credited to Standard Oil companies, as follows:

	Par value.
Standard Oil of New Jersey	\$393,353,200
Standard Oil of New York	150,000,000
Standard Oil of California	100,971,111
Ohio Oil	45,000,000
Vacuum Oil	45,000,000
Atlantic Refining	45,000,000
Standard Oil of Kentucky	2,000,000

Total..... 781,324,311

When Standard Oil Co. of New Jersey was ordered dissolved, the \$100,000,000 capitalization was selling for about \$400,000,000. Stock dividends declared over the last 11 months by Standard Oil companies have a par value almost double that.

STOCK DIVIDEND NO DISBURSEMENT OF ASSETS.

A corporation that declares stock dividends out of accumulated surplus loses nothing. It is simply capital adjustment made possible by added value. As a rule the greater part of the corporation's earnings are spent for new construction and acquisitions and added to working capital to take care of expanding business.

Thousands of additional men are put to work in new mills, factories, mines, etc. One corporation for a number of years has been averaging around \$60 a share annually on its stock. Stockholders have received

an average of not much more than \$10 annually. Surplus after dividends were put in working capital and new construction and the pay roll increased year by year. Had the management disbursed \$50 a share annually in dividends and spent \$10 a share for construction, etc., few men would have been added to the pay roll and little headway made in efficiency and economy. No progress in reducing costs would probably mean higher prices to the consumer.

RETAINED EARNINGS BENEFIT EMPLOYEES.

One manufacturer says: "A tax on accumulated surplus would mean a tax on efficiency and labor. It would mean hundreds of millions taken from new construction. It would mean smaller dividends, and the tax on dividends makes up a big per cent of Government revenues."

It is well known that prosperous companies pay the largest wages and take better care of their men. They experience less labor trouble than less prosperous companies. Labor troubles are almost unknown to Standard Oil companies. Few of the 79 corporations in the list accompanying this article have experienced serious labor troubles, partly due at least to continued progress and prosperity.

DIVIDENDS HIGH-PRICED SHARES INTO POPULAR VALUES.

Stocks selling for, say, \$200 to \$1,000 and above a share, are looked upon as rich men's investments. They are out of reach of the average investor and the employee who wishes to share in the profits of the company employing him. Splitting up the shares into smaller units through stock dividends places them within their reach. Employees who purchased Standard Oil shares over the last 15 years have seen some of their stocks increase in value 1,000 per cent. This is correspondingly true of scores of other companies, although no group of industrial companies can boast of an appreciation in value as great as that of Standard Oil. From an investment of several hundred millions less than two decades ago, Standard Oil's properties and working capital have grown to several billions. Number of men employed has grown proportionately.

Stock dividends mean little to the shareholder of record. He gets, say, 10 new shares for each old one. Nothing is added to the value of his holdings and nothing is taken away from his company.

Scores of corporations would be warranted in declaring stock dividends, and many may over the next 12 months. Few corporations that have been over liberal in paying cash dividends to shareholders at the expense of new construction and working capital are in a position to declare large stock dividends.

Corporations like United States Steel, Baldwin Locomotive, American Locomotive, American Car & Foundry, National Lead, General Electric, and United Fruit are among those in a position to declare large stock dividends.

MORE STOCK DIVIDENDS TO COME.

There are also proposed capital increases awaiting approval of stockholders. For example, Prairie Pipe Line's proposed stock dividend will be \$54,000,000 and that of Prairie Oil & Gas \$36,000,000. If these and others contemplated go through, they should aggregate about \$500,000,000, which would bring the year's total above \$1,500,000,000.

Following table shows for 79 companies stock outstanding January 1, 1922, or at the time dividend was declared, dividend in per cent, and par value of the stock dividend.

Some companies, as American Light & Traction Co. and General Electric Co., have paid stock dividends regularly for several years (General Electric Co. since January, 1918). Others listed are all special dividends.

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
Allen Consol. Oil.....	\$2,192,095	5	\$109,600
Alliance Realty.....	2,000,000	25	500,000
Am. Bank Note.....	4,495,700	10	449,570
Am. Gas & Elec.....	5,604,480	1 & 1/2	116,031
Am. Lt. & Trac.....	28,077,280	1 & 1/2	858,000
Am. Mach. Fdy.....	2,000,000	200	4,000,000
Am. Manufact'g.....	8,000,000	10	800,000
A. Radiator.....	13,906,225	50	6,953,113
Arundel.....	4,637,360	6	278,238
Atlantic Refining.....	5,000,000	900	45,000,000
Bank of N. Y.....	2,000,000	25	500,000
Beech-Nut P'g.....	955,400	400	3,821,600
Belding Bros.....	3,000,000	100	3,000,000
Bigelow-Ht'd Carpet.....	13,550,000	100	13,550,000
Borne-Serymser.....	200,000	400	800,000
Bost. Sand & G.....	1,400,000	37 1/2	150,000
B'r'ghs Add. M.....	24,750,000	25	6,187,500
Bush Terminal.....	6,722,200	2 1/2	168,055
Cal. Tel. & Lt.....	1,343,887	136	123,500
Canad. Gen. El.....	10,800,000	20	2,160,000
Cin. Un. Stk. Yd.....	1,531,000	14 1/2	219,000
City Ice & Fuel (Cleve., O.).....	3,600,000	35	1,260,000
Commerc. Credit (Baltimore).....	1,500,000	30	450,000
C'm'n 'nw'lt'h Fin.....	59,354	10	5,935
Crane.....	41,290,731	2 1/2	1,032,269
Cumbe'l'd P. & L.....	12,300,000	10	1,230,000
Detroit Creamery.....	3,200,000	60	1,920,000
Du Pont Chem.....	600,000	112 1/2	675,000
Du Pont Chem.....	12,942,710	112 1/2	3,310,549
Exchange Buffet.....	362,500	300	1,087,500
Fed. Lt. & Trac.....	12,500,000	142	1,750,000
Fidelity & Cas'ty.....	2,000,000	100	2,000,000
Finance Service.....	163,370	5	8,168
Gas & Elec. Sec.....	1,143,561	1	114,356
General Elec.....	147,536,814	5	8,609,715
Gibson Art.....	500,000	25	125,000
Gillette Saf. R.....	23,320,000	5 & 5	1,428,000
Great Am. Ins.....	10,000,000	25	2,500,000
Great Nor. Paper.....	8,272,000	200	16,544,000
Hanover Nat. Bk.....	3,000,000	66 2/3	2,000,000
Hayes Wheel.....	1,635,320	22	359,000
Hercules Powder.....	7,150,000	100	7,150,000
Helme, G. W.....	4,000,000	50	2,000,000
Humphreys Oil.....	8,577,500	75	6,422,500
Ingersoll-Rand.....	10,900,035	100	10,900,035
Int. Comb. Eng.....	59,000	200	11,800
Int. Harvester.....	93,438,000	2 & 2	3,782,975
Intertype Corp.....	20,125	10	2,012
Kellogg Switchboard and Sup.....	5,800,000	15	875,000

¹ Preferred.

² Including preferred.

³ Shares.

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
Manhattan Shirt.....	\$5,000,000	10 & 24	\$777,000
Minute Tapioca.....	200,000	50	100,000
Nat'l Biscuit.....	29,226,000	75	21,920,000
Nat'l Sugar.....	10,000,000	50	5,000,000
North-Am.....	15,033,200	21	150,232
Ohio Oil.....	15,000,000	300	45,000,000
Pac. Gas & E.....	34,004,058	2	680,081
Packard Mot.....	11,885,100	100	11,885,100
Reo Motor Car.....	6,937,250	100	6,937,250
Reynolds, R. J.....	60,000,000	33 1/2	20,000,000
Royal Typewriter.....	\$3,771,700	61.25	2,308,971
Saco-Low'll Shops.....	3,525,000	50	1,762,500
Schrafft, W. F., & Sons.....	500,000	300	1,500,000
Scotten, Dillon.....	2,250,000	33 1/2	750,000
South States Oil.....	2,000,000	8	160,000
Spalding, A. G., & Bros.....	2,606,900	100	2,606,900
Standard Milling.....	7,410,142	60	4,446,085
Stand. Oil, Cal.....	100,971,111	100	100,971,111
Stand. Oil, Ky.....	6,000,000	33 1/2	2,000,000
Stand. Oil, N. J.....	98,338,300	400	393,353,200
Stand. Oil, N. Y.....	75,000,000	200	150,000,000
Stand. Steel Car.....	4,000,000	900	36,000,000
Stand. Undgrd C.....	5,250,000	20	1,050,000
Texon Oil & Ld.....	1,904,761	5	95,239
Torrington.....	3,500,000	100	3,500,000
Union Nat. Gas.....	9,840,000	75	7,380,000
Union Oil of Cal.....	50,000,000	80	40,000,000
U. S. Guarantee.....	205,000	120	300,000
Un. Royalties.....	250,000	100	402,690
Vacuum Oil.....	15,000,000	300	45,000,000
Va. Ir. C. & C.....	10,000,000	50	5,000,000
Victor Talk'g M.....	4,999,000	600	29,994,000
Yale & T. Mfg.....	4,998,774	100	4,998,774
Yellow Cab.....	500,000	300	1,500,000
Total par value of stock dividends.....			1,007,705,638

1 Common.

2 Including preferred.

3 Preferred.

4 Including common.

Dividend declarations.

	Books close.	Books open.	Dividend.	Payable.
Union Traction (Phila.) ¹	Dec. 9	.....	3%	Jan. 1
United Dyewood com. ¹	Dec. 15	.....	\$1.50	Jan. 2
Allis-Chalmers Mfg. pt. ¹	Dec. 23	.....	\$1.75	Jan. 15
Bangor & Aroostook pt. ¹	Dec. 15	.....	13%	Jan. 1
Buffalo Gen. El. com. ¹	do.	.....	2%	Dec. 30
Detroit & Cleve. Nav. ¹	do.	.....	\$1.00	Jan. 2
Endicott Johnson com. ¹	do.	.....	\$1.25	Jan. 1
Endicott Johnson pt. ¹	do.	.....	\$1.75	Do.
Illinois Cent. L. Lines ¹	Dec. 11	.....	2%	Do.
Imperial Tob. (Can.) ord. final.....	.....	.....	10%	.....
Pitts., F. W. & Chic. com. ¹	Dec. 9	.....	14%	Jan. 2
Pitts., F. W. & Chic. pt. ¹	do.	.....	14%	Do.
Rochester & Syracuse pt. ¹	Dec. 2	.....	\$1.00	Dec. 15

1 Stock of record.

STANDARD GAS & ELECTRIC CO.

Report of the Standard Gas & Electric Co. and its properties shows gross of \$36,726,524 for the 12 months ended October 31, 1922, an increase of \$1,962,040 over the same period of 1921. Net after taxes was \$13,464,475, an increase of \$1,498,855.

GENERAL GAS & ELECTRIC CO.

Report of combined earnings of the General Gas & Electric Co. and its subsidiaries shows gross of \$12,105,941 for the 12 months ended October 31, 1922. Net after taxes was \$3,197,304, and balance after charges \$762,752.

[From the Sun, Baltimore, Wednesday morning, December 6, 1922.]
\$211,500,000 GIVEN TO STOCKHOLDERS—STOCK DIVIDENDS VOTED IN ON DAY THROUGHOUT COUNTRY MAKE VAST SUM—TOTAL NOW \$1,600,000,000—TWO OF STANDARD OIL GROUP EACH DECLARE 300 PER CENT DISTRIBUTION.

NEW YORK, December 5.—Stock dividends totaling \$211,500,000 were announced to-day by seven large industrial corporations and banks, bringing the total stock dividends declared in the last few months to more than \$1,600,000,000. These sums, in virtually all cases, have been provided for out of undistributed surpluses, apparently in anticipation of unfavorable tax legislation in the next Congress.

The Studebaker Corporation increased its capitalization \$15,000,000 by declaring a 25 per cent stock dividend. Directors expected that the customary annual 10 per cent dividend would be continued.

\$45,000,000 SURPLUS DIVIDED.

The Vacuum Oil Co. distributed \$45,000,000 of surplus in the form of a 300 per cent dividend. The William Wrigley, Jr., Co. declared a 10 per cent stock dividend of \$1,500,000 to common-share holders.

The Bank of Manhattan Co., one of the oldest in the country, increased its capital from \$5,000,000 to \$10,000,000 by capitalizing surplus and declaring a 100 per cent stock dividend. The Equitable Trust Co. announced plans to increase its capital from \$12,000,000 to \$20,000,000, one-half of which would be a 33 1/2 per cent stock dividend and the remainder a new issue of stock to which holders of the bank stock might subscribe.

The E. I. du Pont de Nemours Co. declared a 50 per cent stock dividend amounting to \$20,000,000. The Whitman Mills, of New Bedford, called a stockholders' meeting to consider a stock dividend of 50 per cent by increasing the capitalization from \$2,000,000 to \$3,000,000.

ANOTHER STANDARD OIL DIVIDEND.

The stockholders of the Standard Oil Co. of California to-day authorized a stock dividend of 100 per cent and increased the capital stock from \$115,000,000 to \$250,000,000.

The directors of the Standard Oil Co. of Kansas declared a stock dividend of 300 per cent payable December 30 to stockholders of record December 16. The State charter board yesterday authorized the company to increase its capitalization from \$2,000,000 to \$8,000,000.

[From the Journal of Commerce and Commercial Bulletin, Tuesday, December 5, 1922.]

\$1,200,000,000 STOCK DIVIDENDS TO DATE—MANY MORE DISTRIBUTIONS AWAIT APPROVAL—STANDARD OIL COMPANIES PAY BULK OF MELONS, WITH SEVERAL YET TO BE HEARD FROM—TABLE GIVES DATA.

Stock dividends totaling more than \$1,200,000,000 have been declared since the first of the year, and numerous proposed capital increases are awaiting the approval of stockholders.

Standard Oil companies have accounted for the major portion of the vast total and all of them have not been heard from. The New York, New Jersey, California, Kentucky, and Ohio companies, together with the Vacuum Oil Co. and Atlantic Refining, alone declared stock dividends amounting to \$781,324,311. To this will be added the Prairie Pipe Line Co.'s \$54,000,000 proposed stock melon and the \$36,000,000 distribution of the Prairie Oil & Gas Co.

The following table shows the stock dividends announced by 79 companies, the stock outstanding January 1, 1922, and the par value of the stock melons:

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
Allen Consol. Oil.....	\$2,192,095	5	\$109,600
Alliance Realty.....	2,000,000	25	500,000
Am. Bank Note.....	4,495,700	10	449,570
Am. Gas & Elec.....	5,604,480	1&1	116,081
Am. L. & Tr.....	28,077,280	1&1&1	858,000
Am. Mach. Fdy.....	2,000,000	200	4,000,000
Am. Manuf'g.....	8,000,000	10	800,000
Am. Radiator.....	13,806,225	50	6,903,113
Arundel.....	4,637,360	6	278,238
Atlantic Refining.....	5,000,000	900	45,000,000
Bank of N. Y.....	2,000,000	25	500,000
Beech-Nut P'g.....	955,400	400	3,821,600
Belding Bros.....	3,000,000	100	3,000,000
Bigelow-Htfd. C'pt.....	3,550,000	100	13,550,000
Borne-Scrymser.....	200,000	400	800,000
Bost. Sand & G.....	1,400,000	37 1/2	150,000
B'r'ghs Add. M.....	24,750,000	25	6,187,500
Bush Terminal.....	6,722,200	2 1/2	168,055
Calif. Tel. & Lt.....	1,343,887	36	123,500
Canadian Gen. El.....	10,800,000	20	2,160,000
Chm. Un. Stk. Yd.....	1,531,000	14 1/2	219,000
City Ice & Fuel (Cleveland, O.).....	3,600,000	35	1,260,000
Commec'l Credit (Baltimore).....	1,500,000	30	450,000
Com'ow'lth Fin.....	2,59,354	10	.....
Crane.....	41,290,731	2 1/2	1,032,269
Cumberl'd P. & L.....	12,300,000	110	230,000
Detroit Creamery.....	3,200,000	50	1,600,000
Du Pont Chem.....	600,000	112 1/2	675,000
Du Pont Chem.....	12,942,710	112 1/2	3,310,549
Exchange Buffet.....	262,500	300	.....
Fed. Lt. & Trac.....	12,500,000	142	1,050,000
Fidelity & Cas'ty.....	2,000,000	100	2,000,000
Finance Service.....	163,370	5	6,170
Gas & Elec. Sec.....	1,143,561	3 1/2	114,359
General Elec.....	147,536,814	5	8,609,715
Gibson Art.....	500,000	25	125,000
Gillette Saf. Raz.....	23,320,000	5&5	1,428,000
Great Am. Ins.....	10,000,000	25	2,500,000
Great Nor. Paper.....	8,272,000	200	16,544,000
Hanover Nat. Bk.....	3,000,000	66 2/3	2,000,000
Haves Wheel.....	1,633,320	22	359,000
Hercules Powder.....	7,150,000	100	7,150,000
Helme, G. W.....	4,000,000	50	2,000,000
Humphreys Oil.....	8,577,500	75	6,422,500
Ingersoll-Rand.....	10,900,035	100	10,900,035
Int. Comb. Eng.....	259,000	200	.....
Int. Harvester.....	93,638,000	2&2	3,782,975
Intertype Corp'n.....	20,125	10	.....
Kellogg Switchb'd & Sup.....	5,500,000	15	825,000
Manhattan Shirt.....	5,000,000	10 & 24	777,000
Minute Tapioca.....	200,000	50	100,000
National Biscuit.....	29,226,000	75	21,920,000
National Sugar.....	10,000,000	50	5,000,000
North American.....	1,533,200	1	150,232
Ohio Oil.....	15,000,000	300	45,000,000
Pac. Gas & El.....	34,004,058	2	680,081
Packard Motor.....	11,885,100	100	11,885,100
Reo Motor Car.....	6,937,250	100	6,937,250
Reynolds, R. J.....	60,000,000	33 1/2	20,000,000
Royal Typewriter.....	\$3,771,700	61.25	2,308,971
Saco-Low'll Shops.....	3,525,000	50	1,762,500
Schrafft, W. F., & Sons.....	500,000	300	1,500,000
Scotten, Dillon.....	2,250,000	33 1/2	750,000
South States Oil.....	2,000,000	8	160,000
Spalding, A. G., & Bros.....	2,606,900	100	2,606,900
Standard Milling.....	7,410,142	60	4,446,085
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Stand. Oil, N. J.....	98,338,300	400	393,353,200
Stand. Oil, N. Y.....	75,000,000	200	150,000,000
Stand. Steel Car.....	4,000,000	900	36,000,000
Stand. Undgrd C.....	5,250,000	20	1,050,000
Texon Oil & Ld.....	1,904,761	5	95,239
Torrington.....	3,500,000	100	3,500,000
Union Nat. Gas.....	9,840,000	75	7,380,000
Union Oil of Cal.....	50,000,000	80	40,000,000

1 Preferred.

2 Common.

3 Shares.

Company.	Stock outstanding Jan. 1, 1922.	Stock dividend, per cent.	Stock dividend, par value.
U. S. Guarantee.....	\$205,000	120	\$300,000
Un. Royalties.....	250,000	100	402,690
Vacuum Oil.....	15,000,000	300	45,000,000
Va. Jr., C. & C.....	10,000,000	50	5,000,000
Victor Talk'g M.....	4,999,000	600	29,994,000
Yale & T. Mfg.....	4,998,774	100	4,998,774
Yellow Cab.....	500,000	300	1,500,000

Mr. BROOKHART. Great combinations in our country have reached such a position of economic power and such a position of mutual understanding that they seem to be entirely able to charge whatever profit they deem just, and the common people of the United States have no voice in those profits.

Here is the American farmer, with a capital investment of nearly \$80,000,000,000. Collectively the American farmer is the big business man of the United States, and yet in the price which he receives for his product he has no voice. He can add in no expense. He can charge no profit. His price is fixed by other agencies of less capital investment, and of a mighty small personnel compared to the 7,000,000 farmers and their families. On the other hand, the American farmer has no voice in the price which he will pay for the industrial products which he must use. That price is also fixed by other agencies beyond his power and beyond his control. There is no other business on this earth that could survive one year or one month under such an economic situation; and it is that great question of giving to the farmer a voice in the marketing of his product, some voice in the credit for the control of that market, which is before the Senate in the determination of this motion.

The other question which I desire to discuss briefly before I conclude relates to the administration of the Federal reserve bank in reference to agriculture.

The distinguished Senator from Louisiana [Mr. RANDELL] said that we had established a Federal reserve bank for the purpose of assisting business; that it was the agency that would help business in a general way; and that a ship subsidy would in some way do for shipping what the Federal reserve bank was doing for business. Apparently, the distinguished Senator omitted the consideration of the biggest business in this country when he referred to the beneficial effects of the Federal reserve bank. He apparently omitted agriculture entirely, because I think it can not be said that the Federal reserve bank has been an agricultural bank in any particular.

As I view that situation, the foundation for all credit, of the whole banking system, is deposits. It is the deposits put in the bank by the common people, the people of the country, upon which the bank is built. Withdraw the deposits and there is no bank. It has no need then for anything but a receiver. The receiver, of course, would wind it up. The first story on top of the deposits is the ordinary bank as it is organized, and that is the first story which I described of the credit structure. A large number of these banks being organized, they are required by law to keep reserves, and they have funds which at times they would like to redeposit in order to get some use of those funds and some return upon them. That redepositing is the reserve business. That is the upper story of the credit structure, all resting upon this same foundation of deposits.

During the war we had big things to finance. They needed to be financed quickly, and it was decided that it would be well to collect these redeposits into one great reservoir under the control of one board in order that these things might be more efficiently handled. I have no objection to that idea, and the Federal reserve bank was established upon it and upon these same deposits. The farmers' deposits were included among those. The farmers' deposits were the biggest item among them. Figuring it out upon the best evidence I could, taking the estimate of my own State as a basis, something like 40 per cent of the deposits of the country are made by the 7,000,000 farmers in the United States, laborers deposit more than 25 per cent, and little and big business the balance. Yet this great structure, built upon those deposits, had no farmer on the board, no laboring man upon the board, and was mainly controlled by those representing the big interests of the United States.

What did they do to the American farmer by their administration? In our State they first looked us over, and decided that we needed inflating. They decided that would be a good thing for us. No; first they established a dead line of credit allotment, I should have said. Under that rule Iowa received an allotment of \$36,000,000. One bank in Chicago had \$80,-

000,000, and one bank in New York had \$145,000,000, but the whole State of Iowa, ranking fifth in resources among the States of the Union, had the small allotment of but \$36,000,000, based upon this arbitrary rule of deposits of member banks. Then, having decided to inflate us, they overloaned us, as they called it, up to \$96,000,000 at one time; at the time of which I speak it was \$91,000,000.

Then they looked us over again and decided that we needed deflating, and they sent a representative out in the State of Iowa to perform the operation. He came out from the Chicago branch and held meetings around over the State. I attended his meeting at the city of Ottumwa, and I know what was said and done. He said to the assembled farmers, "We have been too good to you out here. We have overloaned you. You are \$55,000,000 now above your allotment." That was in the fall of 1920, the corn-husking time. He said, "You will have to sell this corn and reduce these loans, because the time has come when the people who are entitled to this money must have it." Then I stood up and asked him who those folks were who were entitled to that credit and would get it as the farmers were forced to sell their stuff at harvest time and pay the money in. He did not answer that question. I repeated it, and he did not answer it. I never did get an answer from him.

The banks throughout our State, following that direction, notified the farmers that their loans must be paid when they came due, in order to reduce this obligation to the Federal reserve bank. Then started the panic in farm prices, and, as Senators all know, there never was such a panic in the United States. Did they have to call those loans? They did the same thing in California, they did the same thing in Kansas, they did the same thing over all the agricultural portion of the country. At the very time those loans were called the Federal reserve bank had more than a thousand million dollars of unused credit, which it could have loaned to the farmers of the United States instead of calling those loans. That policy perhaps avoided a panic of the banks, but it handed the farmers of the United States the worst panic in the history of agriculture.

I was talking with a distinguished member of the Chamber of Commerce of New York the other evening about that proposition, and he said to me that the deflation policy of the Federal Reserve Board was wrong. But he said they did not intend to do that thing; that it went further than they figured. I said, "If they are as inefficient as that, it is the most powerful argument for my theory of turning those fellows out of that board and putting upon it 3 farmers, 2 laboring men, 2 men of little business, and 1 man of big business."

I believe something of that kind must be done in reference to the control of credit throughout the country. The farmers even in my own State deposit enough in the banks for their own credit, but under this banking organization it is taken away from them and is used to back other enterprises. If my estimate of 40 per cent is correct, or anywhere near correct, in 1920, according to the comptroller's report, the farmers deposited more than \$4,000,000,000 in all of the national banks of the United States, and at the same time they were allowed \$1,998,000,000 for use in agriculture. Therefore it has occurred that the panic in farm prices and the destruction of agriculture, wrought by that panic, have been brought about through the impounding of the farmer's own money and denying him the use of it in his own business. I call that a strike; I call it a credit strike, a money strike. That credit strike of 1920 did the farmers of Iowa and of the United States generally more damage—it did them ten times more damage—than all of the industrial strikes the laboring men have organized in the whole history of the United States.

There is something wrong about that situation. It has brought agriculture to the verge of ruin. The thing we are going to consider now, if this motion carries, is the remedy for that situation. I will not attempt to discuss the merits of the Norris bill, but it is the only measure proposed in Congress which affords a chance for immediate and speedy relief. It is drastic, I will concede. Perhaps in the end it means the ultimate organization of cooperative marketing, which the farmers of the United States are entitled to have; but cooperative marketing, cooperative anything, is a matter of growth, and there would be no immediate relief from a purely cooperative bill, and immediate relief is demanded by the farmers of the United States.

I hope this motion will carry. I hope this question will come before the Senate, and I hope we will no longer be bothered with this little question of saving twenty-five or thirty million dollars a year upon these ships which are being operated by the Government, and which were built for safety in war.

Now a word in reference to the national defense. I believe in national defense. There never was a time my country called that I did not volunteer to serve it. If the occasion should arise again, I would resign from the Senate to serve it again. I believe in all that. Yet why this strange agitation for national defense when those ships now belong to the Government itself, the place they would have to go if they were used for national defense? Yet somebody wants to sell them, and turn them over to somebody else in the interest of national defense. To me that is the most ridiculous proposition which has been advanced upon the floor of the Senate.

It is not national defense; it is moving a long distance away from national defense. The national defense consists in making this Government a more efficient, a more American, a more patriotic Government in its business affairs and its economic affairs, as well as its military affairs.

I desire to inquire of the Senator from Washington in reference to a situation in his own State which was brought to my attention by the Farmers' Union recently. They say that about one-third of the apple crop in that State is being destroyed because it will not bring price enough to pay the freight rates, and because there are no marketing facilities. The Farmers' Union, they told me, are getting ready to dump 6,000 bushels at one time into the Columbia River, and to take a moving picture of those apples as they go into the river. Is there such a situation as that out there?

Mr. JONES of Washington. Six thousand bushels? I would not be surprised if it were 6,000 carloads.

Mr. BROOKHART. They told me there would be 10,000 carloads dumped into the river altogether.

Mr. JONES of Washington. With regard to that, I will say that I do not think the condition is overdrawn. When I was in Wenatchee in the fall there were about 9,000 carloads of apples in the warehouses there, and many of those apples were rather early apples, which need to get to the market very early. It had been impossible, apparently, for them to get cars to carry them off. They should have gotten them to market by about the 1st of December. They were getting about 100 cars a day; they should have had at least three or four hundred cars a day. It looked then as though there would be six or seven thousand carloads of apples lost at that one point. So I am afraid the picture is not overdrawn.

Mr. STANLEY. Are they the same beautiful apples for which we are paying 10 cents apiece here now?

Mr. JONES of Washington. They are.

Mr. FLETCHER. May I interrupt the Senator to inquire whether it is possible to store those apples, or can they be kept?

Mr. JONES of Washington. It is possible to store the apples, but they have not the cold-storage facilities at the point to which I am referring. They have cold-storage facilities for about 700 carloads of apples. They have warehouses for the others but not cold-storage facilities. I would like to suggest right here, in this connection, that those farmers very likely would have relief if we had refrigerator ships which could meet their apples at Seattle, about 150 miles away.

Mr. BROOKHART. I would suggest that we send some of the idle ships around and get them, take them over to New York, and feed the people there.

Mr. JONES of Washington. They have not the refrigerator ships. That is the trouble.

Mr. STANLEY. Mr. President, I do not want to get the Senator off the subject, but has he investigated the action of the National Fruit Co., or whatever agency it is that gets western apples, and is preparing to throw them into the sea on one seaboard, and is selling them on another part of the continent at exorbitant prices? It surely does not cost at the rate of 10 cents apiece to ship apples from the State of Washington to the city of Washington by any kind of transportation. Somebody has a trust and a graft in the handling of that fruit.

Mr. REED of Missouri. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. BROOKHART. I yield.

Mr. REED of Missouri. The Senator from Kentucky has touched on the question I was going to ask. What is the price being demanded for those apples by their owners who are about to dump them into the Columbia River?

Mr. BROOKHART. I understand they would be willing to take any price.

Mr. REED of Missouri. Have they been willing to take any price for the apples, or have they demanded a considerable price?

Mr. BROOKHART. I think they have been willing to take any reasonable price.

Mr. REED of Missouri. That is a very interesting question. I am not asking it to impugn anybody's motives, but I am very anxious to have the question answered. I would like to know the prices which have been demanded and received for that part of the crop which has been marketed, and since the Senator is in touch with the gentlemen who are supposed to know, I hope he will enlighten us.

Mr. JONES of Washington. Of course, I do not know of my own personal knowledge, but I was informed, when I was out there last fall, that for many of the apples which had already been sold and gotten to the market the farmer had received about 5 cents a box, after the freight was paid, and after the expenses of picking, of boxing, and of packing were paid. Of course, our apples are wrapped in paper, separately, and then packed in the boxes. After all those expenses were deducted, the farmer got only about 5 cents.

I will say to the Senator that these men have not kept their apples there because they have not gotten what they demanded. Their apples must come to the eastern market largely. They send them, I think, to the commission houses and take a chance of having a bill come back for freight rather than having a check come back for the proceeds of the apples.

Mr. REED of Missouri. Who handles the apples at the shipping point?

Mr. JONES of Washington. They have warehousemen who put them in their warehouses, and they have commission men there who sell them or consign them on commission. A good many of the farmers or apple raisers, however, probably ship the apples themselves. They put them in the warehouse and have them shipped out. I really do not know so much about the details of that part of the transaction.

Mr. REED of Missouri. Is there an association of fruit raisers?

Mr. JONES of Washington. Yes; they have associations of fruit raisers, and they handle the fruit through them in many instances.

Mr. REED of Missouri. I do not want to be understood as antagonizing the people who have fruits. I am merely trying to get some information.

Mr. JOHNSON. Mr. President, will the Senator yield for a suggestion?

Mr. BROOKHART. Certainly.

Mr. JOHNSON. It may be that the difficulty encountered in Washington was what we encountered during the last few months in California. There was a car shortage which was absolutely ruinous to us and our production, particularly with regard to fresh fruits, and the like. It is possible that the same difficulty occurred in the State of Washington.

Mr. JONES of Washington. I stated they were getting only 100 cars a day when they should have had 300 cars a day.

Mr. JOHNSON. We have not had the cars in the West with which to transport our products.

Mr. REED of Missouri. If that is the difficulty, it is so easily met that we need none of us get excited about it. I am as ready as anybody else to help meet it. A condition where railroad companies over long periods of time fail to secure the necessary amount of cars to handle the business of the country is an intolerable condition and points directly to incompetence somewhere. I will not at the present moment say where. It may be we are part of the incompetence.

But I am still interested in knowing whether the apples for which we pay exorbitant figures here are marketed in the East at unreasonable figures and the increased price comes at this end, or whether the price is a result of car shortage or a monopoly exercising a control at the source of supply, or a monopoly exercising a control at the source of distribution, or whether it is the result of all these conditions. While I suppose the Senator is not prepared at this moment to answer, I would like to have these questions answered. If he will permit me further, we have in the last five minutes disclosed abundant reason for Congress giving serious consideration to the whole question.

Mr. BROOKHART. I am prepared at this moment to answer in a general way the question suggested by the Senator from Missouri. As a representative of the National Farmers' Union I attended the investigation conducted by the joint committee of the House and Senate and made the opening statement of the farmers' case in that investigation. In the course of that statement I said to them that out of the dollar which the laboring man paid for products of the farm the farmer gets 38 cents. That statement was somewhat challenged. Then they investigated the proposition. They spent several months and took a large amount of testimony, investigating the matter everywhere.

I will say to the Senator from Missouri that that figure includes all the great average of farm products of every kind.

At the end of that investigation they found and reported that I was wrong. Yes; they found and reported that out of the dollar which the laboring man paid for the products of the farm the farmer gets 37 cents. That situation means that something is intolerable in our marketing distribution in the United States.

A similar situation obtained in Denmark 30 years ago. The farmers then organized their cooperative credits and cooperative banks and cooperative processes. They have 46 cooperative packing plants under their control in that little kingdom at this time. They can outsell the Beef Trust in a competitive market everywhere, because they produce better products. Now, at the end of that development they have reduced the cost of distribution until, instead of 63 cents, as in our country, it is from 25 to 28 cents in their country. The margin ought to be narrower in our country than in theirs, because we produce a larger volume of larger stuff. Our great volume of grain and live stock ought to reduce the cost of distribution below their cost.

I say now, as I indicated somewhat in pointing out the big profits that are being assembled by certain large financial institutions, that it has become a question with the farming business of the cost of distribution over and above all other questions. That question will have direct consideration in the Norris marketing bill, and it will again have full consideration in the rural credits bill when it reaches us from the Committee on Banking and Currency. At any rate, we have reached the time when it seems to me that it is little short of a gross neglect of our duty if we proceed further upon this question of whether or not we shall figure out the \$25,000,000 or \$30,000,000 saving upon ships when we have this great question, of vital interest to all the millions of Americans, which ought to be solved this winter.

Then there is the Federal land bank, held down by restrictions and limitations until it can not function. The \$10,000 loan limit ought to be removed. The other restrictions ought to be taken away. That law ought to be amended at this session and before the 1st of March, when all those loans fall due, so as to relieve the farmers of the country somewhat from the great burden of exorbitant interest that is now put upon them.

Mr. JONES of New Mexico. Mr. President, may I ask the Senator from Iowa a question?

Mr. BROOKHART. Certainly.

Mr. JONES of New Mexico. I do not understand that the ship subsidy bill now before the Senate will affect the coastwise trade of the United States in any particular. Does the Senator from Iowa so understand?

Mr. BROOKHART. I do not so understand it.

Mr. JONES of New Mexico. Of course, the passage of the ship subsidy bill would have no effect whatsoever in regard to the transportation of apples from the State of Washington around to the city of Washington, but I understand that the ship subsidy bill relates wholly to international trade. Much has been suggested in favor of the ship subsidy bill because of its supposed added transportation facilities for farm products. Am I to understand that anyone has suggested that the bill, if enacted into law, would reduce the present freight rates on farm products from this country to any European country?

Mr. BROOKHART. I have offered an amendment to the bill providing for a rebate of 10 per cent of the rates to the farmers. That is the only suggestion I have heard made along that line.

Mr. JONES of New Mexico. If I understood the Senator from Iowa correctly in his very able address, to which I took great pleasure in listening, the freight rates for the transportation of farm products across the ocean now are considerably less than prior to the war, and no one has suggested, so far as I have been able to learn, that the passage of the bill would tend to reduce present freight rates on farm products in international trade.

Mr. BROOKHART. In talking with members of the Shipping Board, a former member of the Shipping Board said that he believed the rates would surely be increased. They claim they are not getting living rates at this time, so it would not reduce the rates, but is almost sure to increase them.

Mr. JONES of New Mexico. Then the farmer certainly can not be interested in the passage of the ship subsidy bill with the expectation that he would derive any material present profit from the passage of the bill or have any hope of profit from the bill in the near future.

Mr. BROOKHART. No; I think the farmer will pay the added freight.

[At this point Mr. BROOKHART yielded the floor for the day.]

Mr. CURTIS. Mr. President, has the Senator from Iowa concluded his remarks?

Mr. BROOKHART. I should like to conclude to-morrow if I may do so. There are a few matters that I desire to present at that time.

Mr. JONES of Washington. I supposed the Senator from Iowa had concluded. I gave notice the other day that I should ask the Senate to remain in session until half past 5 anyway. How much longer would the Senator desire to-morrow?

Mr. BROOKHART. There are some matters which I desire to present that I have not with me at this time.

Mr. NORRIS. I suggest to the Senator from Washington that it is a quarter after 5 now, and we have been in session since 11 o'clock this morning. It is not an unreasonable request that the Senator from Iowa makes.

Mr. JONES of Washington. I appreciate that. The Senator said he has some papers in his office relating to matters he desires to present. I do not intend to press him unduly, but I think I have been extremely lenient in reference to the bill. Indeed, I have been criticized by some because I have not kept the bill more before the Senate. I am not disposed to press the Senator if he has some papers that are not here, but I do hope that Senators will realize that we are getting to a point where we must insist on the bill being kept before the Senate. Senators who desire to speak I think should be prepared to do so, because we want to press the bill to a conclusion one way or the other as soon as possible. I will consent that the bill may go over and the Senator may conclude to-morrow. A brief executive session is desired this evening.

Mr. FLETCHER. Mr. President, I was just going to say that I thought it was entirely in order for the Senator from Iowa to suggest that he has material which he proposes to present, but has not with him at this time. It is now a quarter after 5—

Mr. JONES of Washington. I know the Senator has some papers that he wishes to use, and they are not with him. I do not want to press him unduly, but I think I have been extremely lenient in reference to this measure.

Mr. FLETCHER. So far as concerns the suggestion of the Senator from Washington about being lenient is concerned, I think the Senator from Washington has had the bill discussed every minute to-day. No one has delayed it a moment to-day. The speech on the other side of the question consumed something like four hours to-day. I do not think the Senator can intimate at all that any one opposed to his view of the measure has taken up any unnecessary time.

Mr. JONES of Washington. I have not said that. What I am complaining about is that we have not taken enough time on the question; that we have not been keeping the bill before the Senate enough hours during the day.

Mr. FLETCHER. We started at 11 o'clock this morning and the bill has been before the Senate ever since.

Mr. JONES of Washington. Yes; I understand that.

Mr. CURTIS. I understood that the Senator from Iowa had yielded the floor and that he will proceed to-morrow. It is understood that he is to have the floor to-morrow morning when the Senate convenes, and I desire to submit a conference report.

Mr. BROOKHART. That course is satisfactory to me.

Mr. JONES of Washington. I ask unanimous consent that the unfinished business may be temporarily laid aside for the consideration of the conference report.

The PRESIDENT pro tempore. Without objection, the unfinished business will be temporarily laid aside.

APPROPRIATIONS FOR DEPARTMENTS OF STATE AND JUSTICE.

Mr. CURTIS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13232) making appropriations for the Departments of State and Justice and for the judiciary for the fiscal year ending June 30, 1924, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 6, 7, 11, 13, 15, 21, 22, and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 8, 9, 10, 12, 16, 17, and 18, and agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of

the sum proposed insert "\$925,000"; and the Senate agree to the same.

The committee of conference have not agreed upon amendments numbered 1, 2, 5, 14, 19, 24, and 25.

CHARLES CURTIS,
F. E. WARREN,
H. C. LODGE,
LEE S. OVERMAN,

Managers on the part of the Senate.

JAMES W. HUSTED,
ROBERT E. EVANS,
EDWARD T. TAYLOR,

Managers on the part of the House.

The PRESIDENT pro tempore. The question is on agreeing to the report.

The report was agreed to.

THE MERCHANT MARINE.

Mr. JONES of Washington. I ask that the unfinished business may be laid before the Senate so that it may be pending.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes.

The PRESIDENT pro tempore. The pending question is the motion of the Senator from Nebraska [Mr. NORRIS].

EXECUTIVE SESSION.

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened and (at 5 o'clock and 25 minutes p. m.) the Senate, under the order previously made, took a recess until to-morrow, Tuesday, December 19, 1922, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate December 18 (legislative day of December 16), 1922.

SOLICITOR OF INTERNAL REVENUE.

Nelson T. Hartson, of Washington, to be solicitor of internal revenue, vice Carl A. Mapes, resigned, effective January 1, 1923.

APPRAISER OF MERCHANDISE.

Albert H. Reutter, of Detroit, Mich., to be appraiser of merchandise in customs collection district No. 38, with headquarters at Detroit, Mich., to fill an existing vacancy.

POSTMASTERS.

ALABAMA.

John L. Miller to be postmaster at Berry, Ala., in place of J. C. Boone. Incumbent's commission expired March 16, 1921.

CALIFORNIA.

Lewis P. Hathaway to be postmaster at Ventura, Calif., in place of C. B. McDonell. Incumbent's commission expired September 5, 1922.

FLORIDA.

William A. Parker to be postmaster at Carbur, Fla. Office became presidential July 1, 1922.

INDIANA.

Lee Herr to be postmaster at Tell City, Ind., in place of Louis Zeeher. Incumbent's commission expired September 5, 1922.

KANSAS.

Maud Williams to be postmaster at Lenexa, Kans. Office became presidential July 1, 1922.

LOUISIANA.

James L. Hopkins to be postmaster at Marion, La. Office became presidential January 1, 1921.

MARYLAND.

James P. Gooch to be postmaster at Brentwood, Md. Office became presidential October 1, 1922.

Mary W. Tise to be postmaster at Hyattsville, Md., in place of M. W. Tise. Incumbent's commission expired January 24, 1922.

MASSACHUSETTS.

James N. Young to be postmaster at Adams, Mass., in place of J. E. Cadagon, deceased.

MICHIGAN.

Elmer E. Geer to be postmaster at Halfway, Mich. Office became presidential January 1, 1922.

MINNESOTA.

Everett R. Vitalis to be postmaster at Shafer, Minn. Office became presidential April 1, 1922.

Einar S. Rydberg to be postmaster at Spooner, Minn. Office became presidential April 1, 1922.

Carl G. Hertig to be postmaster at Buffalo Lake, Minn., in place of E. W. Rebstock, removed.

John S. Stensrud to be postmaster at Canby, Minn., in place of J. S. Stensrud. Incumbent's commission expired March 16, 1921.

Herman C. Rustad to be postmaster at Kerkhoven, Minn., in place of A. T. Archer. Incumbent's commission expired September 13, 1922.

MISSISSIPPI.

Neppie R. Lockwood to be postmaster at Crystal Springs, Miss., in place of C. K. Dampeer, resigned.

MISSOURI.

Albert C. Yoder to be postmaster at Rosendale, Mo. Office became presidential October 1, 1921.

Charles A. Bryant to be postmaster at Richland, Mo., in place of H. C. Murphy. Incumbent's commission expired September 5, 1922.

NEBRASKA.

Kathrene Patrick to be postmaster at Ericson, Nebr. Office became presidential April 1, 1920.

Elizabeth Rucker to be postmaster at Steele City, Nebr. Office became presidential October 1, 1922.

Wilbur B. Alexander to be postmaster at Ansley, Nebr., in place of C. W. Harris, appointee declined.

Joseph Jones to be postmaster at Carroll, Nebr., in place of Gladys Kesterson, resigned.

Sturley T. Stevens to be postmaster at Comstock, Nebr., in place of J. B. Fuller, appointee not commissioned.

Lafayette O. Roblee to be postmaster at Lewellen, Nebr., in place of L. E. Byrd, resigned.

NEW HAMPSHIRE.

Charles H. Bean to be postmaster at Franklin, N. H., in place of E. S. Avery. Incumbent's commission expired September 19, 1922.

Amos J. Dinsmoor to be postmaster at Laconia, N. H., in place of N. J. Dyer. Incumbent's commission expired September 19, 1922.

NEW JERSEY.

Horace E. Forsyth to be postmaster at Bayhead, N. J., in place of Elbert Wilbert, resigned.

Forman R. Thompson to be postmaster at Matawan, N. J., in place of P. J. Devlin. Incumbent's commission expired October 24, 1922.

NEW YORK.

Jennie E. Carroll to be postmaster at Cuylerville, N. Y. Office became presidential July 1, 1922.

William D. Carpenter to be postmaster at Hagaman, N. Y. Office became presidential July 1, 1922.

Rhoda E. Jackson to be postmaster at Wantagh, N. Y. Office became presidential October 1, 1922.

Thomas J. Hamer to be postmaster at Lacona, N. Y., in place of W. W. Wilcox. Incumbent's commission expired May 24, 1920.

NORTH CAROLINA.

Allen R. Edwards to be postmaster at Bladenboro, N. C., in place of A. A. Hilburn. Incumbent's commission expired September 5, 1922.

John G. King to be postmaster at Burlington, N. C., in place of O. F. Crowson. Incumbent's commission expired September 5, 1922.

Clyde G. Mullen to be postmaster at Lincolnton, N. C., in place of J. K. Cline. Incumbent's commission expired September 5, 1922.

David Smith to be postmaster at Whiteville, N. C., in place of A. E. Powell. Incumbent's commission expired September 5, 1922.

NORTH DAKOTA.

Burt E. Stewart to be postmaster at Minot, N. Dak., in place of F. L. Anderson. Incumbent's commission expired August 22, 1920.

Ettephina C. W. Winkler to be postmaster at Montpelier, N. Dak., in place of Mamie Peterson, resigned.

OHIO.

Alonzo Keeton to be postmaster at Exello, Ohio. Office became presidential October 1, 1922.

Henry H. Harvey to be postmaster at Kenton, Ohio, in place of C. W. Smith, removed.

Garth W. Repp to be postmaster at Pioneer, Ohio, in place of W. G. Haviland, resigned.

Elsie M. Smith to be postmaster at Sharonville, Ohio, in place of E. M. Smith. Incumbent's commission expired September 19, 1922.

OKLAHOMA.

Lan A. Avenett to be postmaster at Goodwell, Okla. Office became presidential January 1, 1921.

Harry Andrews to be postmaster at Marland, Okla. Office became presidential July 1, 1922.

Ernest C. Werrell to be postmaster at Depew, Okla., in place of F. C. Knapp, resigned.

Milton M. Bay to be postmaster at Morris, Okla., in place of L. A. Beamer. Incumbent's commission expired September 13, 1922.

OREGON.

Mart Griffin to be postmaster at Umatilla, Oreg. Office became presidential April 1, 1922.

PENNSYLVANIA.

Samuel H. Bubb to be postmaster at McClure, Pa. Office became presidential July 1, 1922.

John T. Ritter to be postmaster at Carnegie, Pa., in place of N. F. Barrett, removed.

Joseph L. Roberts to be postmaster at Sharon, Pa., in place of J. T. Kennedy. Incumbent's commission expired September 26, 1922.

Joseph C. Scowden to be postmaster at Tionesta, Pa., in place of G. G. Gaston, resigned.

Harry V. Gibson to be postmaster at West Middlesex, Pa., in place of W. C. Kemp, removed.

SOUTH CAROLINA.

John D. Heidtman to be postmaster at Sumter, S. C., in place of T. S. Doar, removed.

TENNESSEE.

Byrd P. Allison to be postmaster at Gallatin, Tenn., in place of R. W. Caldwell. Incumbent's commission expired March 25, 1918.

Joseph C. Hale to be postmaster at Winchester, Tenn., in place of Henry Estill. Incumbent's commission expired March 1, 1922.

TEXAS.

James S. Mewhinney to be postmaster at Buckholts, Tex., in place of J. B. Rector. Incumbent's commission expired September 5, 1922.

Lou Gammill to be postmaster at Calvert, Tex., in place of Maxey McCrary. Incumbent's commission expired September 5, 1922.

Rebecca White to be postmaster at Carbon, Tex., in place of E. T. Gilbert. Incumbent's commission expired September 5, 1922.

Joseph Wren to be postmaster at Normangee, Tex., in place of Joe Wren. Incumbent's position expired September 5, 1922.

Gustave Natho to be postmaster at Skidmore, Tex., in place of J. J. Jenkins. Incumbent's commission expired September 5, 1922.

Mary A. Haskell to be postmaster at Stockdale, Tex., in place of J. J. Sutton. Incumbent's commission expired September 5, 1922.

VIRGINIA.

John N. Coffman to be postmaster at Edinburg, Va., in place of J. H. Massie. Incumbent's commission expired September 13, 1922.

William S. Sparrow to be postmaster at Onley, Va., in place of J. W. Kellam, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate December 18 (legislative day of December 16), 1922.

COMPTROLLER OF CUSTOMS.

Clinton O. Richardson to be comptroller of customs in customs collection district No. 13, headquarters, Baltimore, Md.

POSTMASTERS.

NEW YORK.

Harry P. Maxson, Adams Center.

Donald A. Scott, Caledonia.

Howard F. Fleming, Gardiner.

Ralph J. Borden, McGraw.

Walter J. Burke, Mineville.

Maud E. Butterfield, New Berlin.

Helena Swackhamer, Schenectady.

Dexter S. Slack, Speculator.

George O. Leonard, Stamford.

WYOMING.

Harold T. Duffy, Wheatland.

HOUSE OF REPRESENTATIVES.

MONDAY, December 18, 1922.

The House met at 12 o'clock noon and was called to order by Mr. LONGWORTH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our heavenly Father, Thou hast not promised us joy without affliction, calm without the storm, nor the sun without the cloud. But blessed be Thy holy name, Thou hast vouchsafed unto us sympathy, strength, and unflinching love. O, then, let Thy light be our guide, Thy service our delight, and Thy peace our richest blessing. To-day direct our words that they may do no harm, and may our hearts feel no wrong desires. Let our labors be for our country's good and our acts a help to our fellow men. In Thy name. Amen.

The Journal of the proceedings of Saturday was read and approved.

INCOMES FROM SECURITIES.

Mr. GARNER. Mr. Speaker—

The SPEAKER pro tempore. For what purpose does the gentleman from Texas rise?

Mr. GARNER. Mr. Speaker, I desire to ask unanimous consent to insert in the Record to-day the joint resolution that will be considered to-morrow with an amendment which I expect to offer at the proper time, so the House may have the entire matter before it to-morrow.

Mr. GREEN of Iowa. Mr. Speaker, I think that is very proper.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to extend his remarks in the Record in the way indicated. Is there objection? [After a pause.] The Chair hears none.

The amendment is as follows:

Page 1, line 13, after the word "income," strike out the remainder of the section and insert "which the United States has power to tax." Page 2, line 9, after the word "income," strike out the remainder of the section and insert "which the United States has power to tax."

The joint resolution as amended would read as follows:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —.

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued, after the ratification of this article, by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued, after the ratification of this article, by or under the authority of the United States or any other State which the United States has power to tax.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued, after the ratification of this article, by or under the authority of the United States; but without discrimination against income derived from such securities and in favor of income derived from securities issued, after the ratification of this article, by or under the authority of such State which the State has power to tax."

MESSAGE FROM THE SENATE.

A message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had passed joint resolution (S. J. Res. 255) for the relief of sufferers from fire in the city of Astoria, Oreg., and as it is an emergency matter; in which the concurrence of the House of Representatives was requested.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate Joint Resolution 248 to provide for the payment of salaries of Senators appointed to fill vacancies, and for other purposes, was taken from the Speaker's table and referred to the Committee on Election of President, Vice President, and Representatives in Congress.

CONSOLIDATION OF STATISTICS, FOREIGN COMMERCE, DEPARTMENT OF COMMERCE (S. DOC. NO. 276).

Mr. GREEN of Iowa. Mr. Speaker, I desire to present a conference report on the bill (S. 3295) to consolidate the statistics of foreign commerce in the Department of Commerce. The parliamentary clerk has the report.

The SPEAKER pro tempore. The Clerk will report the title of the bill.